FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Data bases: the new information factories, Page 14

NEWS SUMMARY

GENERAL

Central America warning by U.S.

The U.S. has warned the Soviet Union and Cuba that "a dangerous and unacceptable" situation would develop if they attempted to escalate the conflict in Central America by introducing modern fighter aircraft or combat troops into the region, Mr Thomas Enders, Assistant Secretary of State for Inter-American Affairs, told Congress.

In a separate statement on television, Mrs Jeanne Kirkpatrick, U.S. Ambassador to the United Nations, said the Soviet Union and Cuba were already planting missiles in Central America aimed at the U.S. Page 6

Spanish protest

The Spanish Government was "profoundly preoccupied and concerned" about the arrival in Gibraltar today of HMS Invincible and a dozen other Royal Navy ships, n government protest to the British Ambassador said. Page 2

Census decision

West Germany's High Court is due to announce today whether n national census set for April 27 violates the constitution.

West Bank drive

The Israeli Government launched a public relations campaign to persuade a further 20,000 Israelis to settle on the occupied Arab West Bank.

Bank curbs loom

The likelihood of the U.S. Congress passing legislation to curb the foreign lending of U.S. banks increased after federal banking regulators failed to convince the Senate banking committee that the imposition of tougher rules on lending should be left to their discretion. Page 6

PLO man wanted

PLO official Issam Sartawi, murdered in Portugal on Sunday, was wanted in West Germany in connection with an attack in Munich in 1970 in which an Israeli was killed, a public prosecutor said.

Hostages freed

Ten West German oil technicians held hostage by striking Algerian workers at a camp in the Sahara desert were freed after intervention by the Algerian Government.

Walesa meeting

Solidarity leader Lech Walesa met at the weekend with members of the banned Polish union's underground leadership. Page 3

Floods wreak havoc

Floods crippled shipping on West Germany's inland waterways, closed riverside roads and prompted disaster alerts in Bonn, Cologne and Trier.

Dishonoured

The Australian Government will no longer recommend Australians for British imperial honours, such as knighthoods, Prime Minister Bob Hawke said.

Briefly...

French hospital doctors' strike entered fourth week.

Zimbabwe rebels attacked n train from Botswana, killing the driver. Page 4

Time bomb was defused in the Beirut office of French news agency Agence France-Presse.

Iraq said 3,220 Iranians were killed and thousands captured in Iran's latest offensive.

Dolores del Rio, Hollywood star of 1920s and 1930s, died aged 77.

BUSINESS

GKN in £80m rights issue

● GUEST, KEEN and Nettlefolds, one nf the giants of British engineering industry, announced a rights issue worth £80m ($124m). The issue is one of one-for-three basis at 145p a share and will raise £77.2m net.

The GKN cash call is the first such exercise by a big UK industrial company since Vicker's £24m issue n year ago and it is widely seen as a test of the City's belief that the long-awaited industrial recovery is imminent. But GKN's share price fell by 16p to 162p. Lex, Page 16; London market report, Page 29.

● STERLING rose 1.45 cents to $1.5415, DM 3.7375 (DM 3.6975), SwFr 3.1475 (SwFr 3.1250), FFr 11.1950 (FFr 11.0750) and Y366.5 (Y363.25). Its trade-weighted index rose 0.4 to 82. In New York, sterling closed at $1.5430. Page 36

● DOLLAR rose to DM 2.4235 (DM 2.4195) and FFr 7.264 (FFr 7.255) but fell to SwFr 2.04 (SwFr 2.045) and Y237.65 (Y237.7). Its Bank of England trade-weighted index slipped 0.1 to 122.1. In New York, the dollar closed at DM 2.4265; FFr 7.2775; SwFr 2.0470 an Y2.3870. Page 36

● GOLD rose $2.25 to $432 on the London bullion market. In Frankfurt it closed $6 up at $433 and in Zurich $8 up at $433.5. In New York, the Comex April settlement was $431.9 ($431.5). Page 33

● LONDON: FT Industrial Ordinary index rose 3.8 to 687.7. Government securities closed with net falls ranging to ½. Page 29. FT Share Information Service, Pages 34, 35.

● WALL STREET closed up 3.49 at 1145.32. Page 29. Full share listings 30-32.

● TOKYO: Nikkei Dow index fell 6.56 to 8,468.63 and the Stock Exchange index was up 0.52 at 611.55. Page 29, 32

● SWITZERLAND'S banks are not as profitable as they seem, the Swiss Banking Commission says in a study for the period 1979-81. Page 17

● BOUYGUES, the French construction group, expects to boost sales by a further 25 per cent this year in spite of the building recession in France and the slowdown in construction in the oil states. Page 17

● KAISER ALUMINUM of the U.S. reported a further heavy loss for the first quarter of 1983 but said it was looking for a "considerable improvement" in the current quarter. Page 17

● BRITISH AEROSPACE has won a contract for three HS 748 airliners from the Egyptian airline Egyptair in the face of stiff competition from Fokker of the Netherlands. Page 7

● PSA, Pacific Southwest Airlines, has signed an agreement with McDonnell Douglas for the purchase of two Super 80 jetliners.

● CARRIAN, the Hong Kong group, wants bank creditors to switch some of the debt owed to them into shares. Page 19

● ESSO ITALIANA, the subsidiary of Exxon of the U.S., reported a net operating loss of L282bn ($195m) against L47bn loss the previous year.

● STANDARD Bank Investment Corporation, Standard Chartered's South African subsidiary, has revised its profit outlook and warned shareholders of lower earnings.

● EXECUTIVE Directors of UDS, British stores group, again recommended in a split vote £248m ($382m) cash bid from Bassishaw Investments against higher equity-plus-cash or alternative cash offer from Hanson Trust. Lex, Page 16

Paris announces major shift on industry policy

BY PAUL BETTS IN PARIS

M Laurent Fabius, the new French Industry Minister, yesterday signalled an important shift in the Government's industrial policy with more emphasis on support for private enterprise and reduced state intervention.

M Fabius, the former Budget Minister and a close confidant of President François Mitterrand, appears to have wasted little time altering the Government's industrial course since taking over the position held by M Jean-Pierre Chevenement, the controversial former Industry Minister.

M Chevenement had been a strong advocate of state intervention. Under his leadership, industrial policy was predominently concentrated on the large French groups nationalised by the left-wing Government. M Chevenement's intervention in the affairs of large French industrial groups was deeply resented by industrialists of both nationalised and private enterprises, who complained about state intervention to President Mitterrand.

M Fabius asserted he would adopt a pragmatic approach to industrial policy in contrast to his predecessor.

In his first public address since taking office two weeks ago, he said: "The state must not substitute itself in the role of enterprises and of entrepreneurs." He also emphasised the need to keep politics out of industry. The problems of industry, the economy, labour costs, investments, labour conditions and productivity must all be discussed and debated in a dispassionate and unemotional climate, the new Industry Minister said.

This is a significant change from M Chevenement, leader of the far Left Ceres faction in the Socialist Party, who sought to politicise the debate on the future of French industry.

Another key point in M Fabius' strategy – and another departure from former policy – is the emphasis on development and support for medium-sized and small industries.

"Big enterprise has its merits," he said. "But the main effort in terms of job creation, innovation and development should increasingly emerge in the future from medium and small enterprises."

M Fabius urged the creation of new enterprises: "It must be massively encouraged. The notions of risk, profits and competitivity have nothing shameful about them, quite the contrary," he said in clear support for French free enterprise.

To this end, M Fabius said new Goverament measures would soon be taken to support entrepreneurial ventures.

M Fabius also suggested that the French banking system must become more adventurous in its lending policies.

CGCT seeks state cash, Page 16

LAMBSDORFF ATTACK

Count Otto Lambsdorff, West German Economics Minister, yesterday accused the French Government of being slow to correct wrong-headed expansionary policies and being a bad neighbour in placing the blame for its difficulties on Germany. Page 16

Volcker says U.S. rates are too high

By Paul Taylor in New York

MR PAUL VOLCKER, the Federal Reserve Board chairman, said yesterday U.S. interest rates remain too high to support a long-term economic recovery and added that if he were a private banker he would be inclined to reduce his loan rates.

Mr Volcker, whose comments had been eagerly awaited by the U.S. stock and bond markets but contained few if any surprises, was testifying before the house banking committee on the Fed's monetary policy.

The Fed chairman told congressmen interest rates are abnormally high considering the low rate of inflation in the U.S. and the outlook for inflation in the future.

"If the inflation outlook is as good as I think it is then interest rates are high relative to what is necessary and desirable to sustain a long, healthy recovery. But I would not make the case that in the short run the level of interest rates are incompatible with a business recovery."

With one eye clearly on market and economists' concerns about the recent rapid growth in some of the money supply aggregates, Mr Volcker emphasised again that M2 has been distorted by the introduction of new bank accounts.

He said considering somewhat slower growth in March, M2's growth level is very near the upper end of its projected growth targets and a 7 to 10 per cent annual growth range still appeared reasonable. The March M2 figure is due to be published on Friday.

Mr Volcker said M1, the narrowest money supply measure, had also been affected by the new accounts and was difficult to assess. While M1 had clearly been growing faster than its annual 4 to 8 per cent target range, he repeated that the degree of uncertainty over interpreting the figures had led the Fed to place less emphasis on M1 in its short-term monetary policy.

Nevertheless prolonged growth of M1 at high levels "would be cause for concern."

Summarising the Fed's current view of monetary policy, Mr Volcker said: "Taking account of credit as well as monetary behaviour, and some indications that the burst of growth in at least the broader monetary aggregates may be subsiding, we believe our monetary posture has been broadly consistent with the specific objectives we set out in February."

Wall Street report, Page 29

Britain should join EMS, says Bank Governor

BY MAX WILKINSON IN LONDON

THE WORLD may be heading towards more stable exchange rates in which the UK might take its place within the European Monetary System (EMS), Lord Richardson, the outgoing Governor of the Bank of England, suggested yesterday.

In a major speech to the Italian Senate, the country's upper house, Lord Richardson hinted that he hoped the U.S. Administration would be persuaded nt next month's economic summit in Williamsburg to adopt a more active policy of intervention in the foreign exchange markets.

He believed Britain should peg down its currency within the EMS when conditions were appropriate.

Although Lord Richardson's remarks came under the umbrella of British Government policy that entry into the EMS should be kept under review, he showed much more enthusiasm for the idea than has been evident in the Treasury recently.

Ministers and officials have emphasised the difficulties which Britain might face within the EMS so long as sterling reacted sharply to changes in sentiment about the oil market.

Some ministers also believe monetary policy is a substitute for the need for financial discipline within an exchange rate system.

Lord Richardson added: "Nevertheless, I hope that the time will come when conditions will be appropriate for us to join the EMS fully.

"The EEC is a concrete expression of European solidarity and co-operation and the UK should be a full participant in its institutions."

Lord Richardson's remarks have a greater significance against the background of recent speculation that the lower value of sterling against the D-Mark, the dominant currency in the EMS, might re-open the question of Britain's entry.

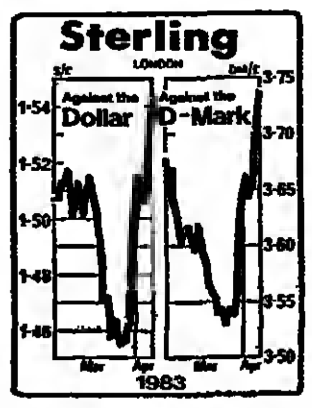
Lord Richardson, who retires from the Bank of England this summer after a decade, said the European Community's voice had been a strong influence in the international efforts to secure more stability of exchange rates.

He said: "These efforts may be beginning to bear fruit. The progress that has been made towards containing inflation should provide conditions for less variable exchange rates, and a setting in which intervention can play a modest but supporting role."

He said a start to progress towards greater stability had been made nt last year's economic summit in Versailles, where a study on official intervention in exchange markets was commissioned.

Sterling's recovery continues

By Our Financial Staff



STERLING gained another 1½ cents against the dollar in London yesterday, and British share prices rose to new peaks for the third consecutive trading day.

Despite the optimism of the equity market, however, the Bank of England continued to resist pressure for a cut in base lending rates to 10 per cent.

The pound continued strong against all currencies, rising to $1.5415 at the close in London and DM 3.7375 against the D-Mark, an increase of 4 pfg since Monday's close and the highest rate for two months. Overall, the pound's Bank of England index against a trade-weighted basket of currencies rose by 0.4 to 82.0 (1975=100).

Although equity prices moved up, with the FT Industrial ordinary share index up 3.8 at 687.7, a new record, the enthusiasm of the government securities market was dampeoed towards the eod of the day. Gilt-edged prices improved by up to ¾ point at one stage, but had fallen back by ½ point at the close of business, partly as a result of profit-taking.

Three-month Eurodollar rates fell by 1/16 of a percentage point to 9¼ per cent, and UK money market interest rates remained firm

Money markets, Page 36

Habib seeks to break deadlock on Lebanon

BY DAVID LENNON IN TEL AVIV AND REGINALD DALE, U.S. EDITOR, IN WASHINGTON

MR PHILIP HABIB, President Reagan's special Middle East envoy, yesterday joined the tripartite talks on Israeli withdrawal from Lebanon, in a show of renewed U.S. determination to break the stalemate in the negotiations which have dragged on for 15 weeks.

Mr Habib's decision to take over temporarily from Mr Morris Draper as head of the U.S. delegation underlines Washington's resolve to press ahead with its efforts to bring peace to the Middle East despite the major setback of King Hussein of Jordan's refusal to enter talks with Israel on behalf of the Palestinians.

Lack of progress in the Lebanon talks was believed to have been one of the reasons why the Palestine Liberation Organisation (PLO) refused King Hussein a mandate to negotiate.

Mr Habib's presence at yesterday's talks, held at Netanya, north of Tel Aviv, gave n new urgency to the negotiations, which are still bogged down over security arrangements in southern Lebanon after an Israeli withdrawal.

In Amman yesterday Mr Francis Pym, the British Foreign Secretary, said after talks with King Hussein there was no feasible alternative to using the Reagan initiative as a starting point for the Middle East peace process.

Mr Pym stopped over in Amman on the way back from visits to Saudi Arabia and the United Arab Emirates to hear King Hussein's views on the peace process after the apparent collapse of the U.S. plan, launched by President Reagan last September.

The UK Foreign Secretary said Britain and Jordan were agreed that the priorities for bringing peace to the region were the withdrawal of Israeli and other foreign forces from Lebanon, the freezing of the Jewish settlement programme on the West Bank, and using the Reagan plan as a starting point.

Continued on Page 16

UK wine group under Spanish state control after share deal

BY ALAN FRIEDMAN, BANKING CORRESPONDENT, IN LONDON

AUGUSTUS BARNETT, the British wine merchant chain which was a part of the controversial Rumasa group in Spain, has now come under effective control of the Spanish Government.

The status of Augustus Barnett has been uncertain since the expropriation in February of 18 Rumasa-owned banks and other companies by the Spanish Government. This is partly because the Augustus Barnett chain was believed to have been owned by Multinvest, a Netherlands Antilles company whose ownership is now at issue in English courts.

It emerged yesterday that a financial rescue package was assembled last week for the wine chain and £2m ($3.08m) of capital was injected by the London branch of Banco de Jerez, a former Rumasa bank now owned by the Spanish Government. As a result of this loan facility, all Barnett shares were pledged to Banco de Jerez.

Mr John Phillips, a director of Barnett, said yesterday that the emergency cash injection and share pledge had been necessary in order to save the wine chain from its difficulties. "The shares are pledged to Banco de Jerez for the loan given which means the Spanish Government can control the company through the bank," he explained.

Mr Phillips added that by virtue of the financial rescue the future of Barnett "now looks good." He said the company had been through difficult times, but was grateful that most suppliers had been cooperating with Barnett.

The chain of 250 shops in Britain, which last year had a turnover of £46m and is now making losses, is seen as a vital outlet for Spanish wines and sherries.

It also emerged yesterday that the London branch of Banco de Jerez, while still owned by the Rumasa group, was the vehicle for $37m of loans which were funded by the bank's Spanish head office and disbursed to companies owned by Multinvest, of which Barnett was only one. This $37m represents well above 50 per cent of the London branch's outstanding loan book.

Of the $37m, n total of $9m represents loans and loan guarantees from Banco de Jerez to Augustus Barnett. This figure includes the latest £2m rescue loan.

The Rumasa affair, which involved a long-running dispute between the Spanish Government and the country's largest private holding company, came to a head in February when the Government moved in with expropriation orders.

In Britain, a battle began last month between Rumasa and its founder and former head, Sr Jose Maria Ruiz-Mateos, over the ownership of Multinvest (UK), which has n registered office in London.

Rumasa alleged that Multinvest was set up either as an undisclosed subsidiary of Rumasa or by Sr Ruiz-Mateos for his own benefit. Rumasa and two of its 18 subsidiary banks – Banco de Jerez and Banco Del Norte – issued n writ against Multinvest (UK), its managing director and Sr Ruiz-Mateos.

The action was one of a number begun by Rumasa in various countries in an attempt to retrieve what it believes to be assets belonging to the group. At a private High Court hearing on March 11 the Spanish Government was granted an order allowing it to search Multinvest's offices and seize any documents relevant to the dispute.

Mr Ian Bond, of accountants Deloitte Haskins and Sells, was appointed as receiver of certificates for bearer shares of Multinvest N.V., an associate of Multinvest (UK) and nine other companies.

CONTENTS

EUROPEAN NEWS

Spain makes official protest about RN ships

BY TOM BURNS IN MADRID

THE ARRIVAL in Gibraltar today of HMS Invincible and a dozen other Royal Navy ships has prompted the strongest protest in years over the British presence on the Rock.

An official protest made to Sir Richard Parsons, the British ambassador, said the Spanish Government was "profoundly preoccupied and concerned" about the arrival of the Royal Navy. It was prepared to take "the necessary diplomatic and political measures" to protect national rights and territorial waters

It warned that the British action had succeeded in placing the issue "in a dimension not wished by the Spanish Government and . . . for which (Britain) was solely responsible."

The British ships are on their way home from the "Springtrain" exercises in the Eastern Atlantic. While the embassy blandly claimed the flotilla's presence was mere "routine," and that there had been no protests when even more vessels had docked in Gibraltar on similar occasions in the past, a Spanish ministerial spokesman replied: "We've been hearing the argument about routine for years."

The Madrid newspaper Diario 16 yesterday headlined "The British fleet of the Malvinas practises the defence of Gibraltar." HMS Invincible's role in the recapture of the Falkland Islands was graphically explained.

Surprised by the furore, some diplomats in Madrid yesterday argued that the protest was largely for home consumption. Spain has started campaigning for strongly politicised municipal elections on May 8 and the Socialist Government has ensured adroitly that none will accuse it of failure to safeguard Spanish interests.

A second factor was said to be the Government's need to be seen to sabre-rattle just as the last act is played out in the February 1981 attempted coup trial. A highly technical appeal court hearing ended on Monday with the Government demanding higher sentences for the convicted military plotters. The Supreme Court's decision is due next week.

This does not detract, however, from the evident seriousness with which the Government approaches the Gibraltar issue. In the opinion of some political observers, Sr Felipe *Gonzalez's Government* is one of "young nationalists" who, while keeping the door open to negotiations will pursue Spain's perennial claim to the Rock with far greater emphasis than previous administrations.

Having moved swiftly to open the border partially when it took office in December, the Spanish Government insists that it is now Britain's turn to make a gesture and, specifically, to show flexibility on the acceptance of sovereignty as a negotiating issue.

The arrival of HMS Invincible, with its Falklands dimension, was said by Spanish diplomats to indicate "a breakdown of trust."

They stressed that the "diplomatic and political measures" envisaged by the protest note did not include a return to a total blockade because it was a policy decision "not to penalise the local population of the Gibraltar area." But, at the very least, while the Royal Navy remains in the area in force, an emotional anti-British campaign can be expected in Spain with full government sponsorship.

Pressure builds up for European ban on lead in petrol

BY JOHN GRIFFITHS

THE West German car industry is stepping up pressure for legislation requiring lead-free petrol to be used in Europe.

The campaign is being led by BMW, West Germany's third largest car-maker, which first called publicly for the introduction of lead-free fuel at last month's motor show in Geneva.

Talks are to take place with West German government ministers on the subject this month. At the same time meetings with oil industry representatives are to investigate what changes might be made to petrol to keep octane ratings up and avoid loss of performance—possibly by adding methanol.

The debate is intensifying outside West Germany: within the European Commission and the Committee of Common Market Constructors (CCMC), representing all Europe's main motor manufacturers. A CCMC technical committee is to investigate the issue in detail shortly.

It is deeply controversial, with the benefits of removing lead as a poisonous pollutant being weighed against the substantial costs and technical difficulties facing the European industry in adapting to lead-free fuel.

Currently, both Switzerland and Sweden are firmly backing the lead-free approach. The stiffest opposition is coming from the Italian, French and British industries.

According to Dr Karlheinz Radermacher, head of research and development at BMW, both his own company and Daimler-Benz now accept that there would be no option but to introduce U.S.-style exhaust catalytic converters if lead-free petrol is enforced.

Alternative approaches have been tried, "but they have increased fuel consumption by 35-40 per cent." BMW has also tested catalytic converters which are claimed to allow lead to be used but prevent its emission in the exhaust. However, "they have never gone more than 10,000 kms before cracking up."

The emphasis which BMW in particular is placing on the subject indicates that the company is undergoing a sea change in terms of how it plans to apply its technology. In the past, it has placed much emphasis on sportiness and performance. "But the company will not necessarily stay successful by repeating the same *old formula*," according to Dr Horst Avenarius, director of information.

Building industry deaths fall

By Anthony McDermott in Geneva

ACCIDENTAL DEATH in the construction industry has fallen steadily over the past decade, according to a report by the International Labour Office. The prospects for further improvements, however, are not so good.

Construction, with four times more fatal accidents than industry as a whole, is the second most dangerous industry after coal-mining, says the report.

The trend towards fewer casualties is more pronounced in such developed countries as Japan, the Netherlands, Britain and the U.S. than in the developing world. Between 1971 and 1980 there were 9.8 deaths per million working hours in developing nations, compared with 0.26 in the industrialised world, mainly because of *primitive and non-industrial building methods.*

But, as the ILO report observes: "The hazards of having no housing at all... appear greater than the hazards of construction."

It calls for better contract, safety and building standards, and the development, in less industrialised countries, of ways to step up construction management training.

Until these are enforced, the ILO concludes, there are no real grounds for optimism

Hazel Duffy and Brendan Keenan interview Alan Dukes, Ireland's new Finance Minister

Alan Dukes: "People still talk to me"

'We cannot keep on borrowing to keep on spending'

ALAN DUKES, the Irish Finance Minister, is at 37 the second-youngest Minister in Ireland's coalition Government. His job, in a country with severe economic problems, is not likely to make him one of the more popular politicians, after a first budget which made people aware of just how harsh the future would be.

The budget measures will add up to 4 per cent to the cost of living this year, bringing Irish inflation close to 12 per cent. Direct taxes were increased and real living standards could fall by 10 per cent this year for many wage and salary earners. Irish prices for petrol, drink and consumer goods are among the highest in Europe and a middle manager can expect to pay 40 per cent tax on his salary.

Mr Dukes remains reasonably light-hearted, however. "People still talk to me," he says. "In fact, a number of people said the budget was not as tough as they expected."

The Finance Minister is very approachable and communicative—characteristics which may be tempered when he has had more experience in government. His only previous Cabinet post was as Minister for Agriculture during the short-lived first FitzGerald Government—a post he was given just a month after being elected to the Dail (parliament) for the first time.

His earlier experience, however, puts him firmly in the mould of the new Irish (and European) politician: personal adviser to *Mr Richard Burke*, European Commissioner, between 1977 and 1980; director of the Irish Farmers' Association in Brussels between 1973 and 1976, having previously been chief economist to the association.

He describes himself as a "social democrat, with a touch of 19th century liberalism, which was more democratic than people give it credit for." He studied economics at University College, Dublin, under Mr FitzGerald. He does not want to be tagged by any school of economic philosophy, however. "I am very suspicious of all schools of economics and I have never been a great believer in propaganda — including my own," he says.

Mr Dukes has firm enough ideas, however, about the direction in which the Irish economy must be steered. "We have recognised the *fact that* we cannot keep on borrowing to keep on spending, because this puts a huge burden on taxpayers in following years," he said.

His budget strategy was aimed specifically at cutting the deficit on *the current account* of the balance of payments and reducing foreign borrowing. The deficit is expected to fall by almost half, to I£550m (£502m), about 5 per cent of Gross National Product, while net foreign borrowing will drop by a quarter to I£800m.

Critics of the Dukes budget say it does nothing about one of the root causes of the economic problems—excessive public spending. Even after the budget, Government spending as a percentage of national income will remain virtually unchanged at over 60 per cent.

Mr Dukes does not believe in an all-out attack on public spending. *To the industrialists* who have called for cuts in current spending, as well as those already made in the capital programme, he replies: "They are taking too simplistic a view.

The growth in Ireland's population *and the world* recession to which Ireland has fallen a late victim, mean that "substantial resources will have to be devoted to unemployment pay and the provision of employment opportunities: we shall have to *give* greater priority to these areas than others."

Mr Duke's social democratic leanings show a tinge of fashionable conservative thinking, however, in his views that social benefits should be more discriminatory. "I get the same family allowances for two children," he says, "as somebody who has virtually no taxable income, and we have a broadly-based health service. We have to look at the equity of these services."

The future for everybody in Ireland, at least in the short term, is tough, he says. "For the next couple of years, real incomes and living *standards* will fall. We will have to plan to control the economy so that it bears some relation to what we want as a community and so that we can gain some constructive benefit in terms of the *structure of social security* and the tax system."

Mr Dukes described his budget as "a holding operation which will prevent the collapse of public finances." The severity of the measures has to be weighed against the prospect that, without such a budget, "the Government would have been unable to pay its employees by the autumn."

Mr Dukes clearly enjoys the task of trying to set the troubled Irish economy to rights.

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Walesa meets underground leaders of union

BY CHRISTOPHER BOBINSKI IN WARSAW

MR LECH WALESA, the head of Poland's banned Solidarity union movement, has revealed that he met members of its underground leadership over the weekend.

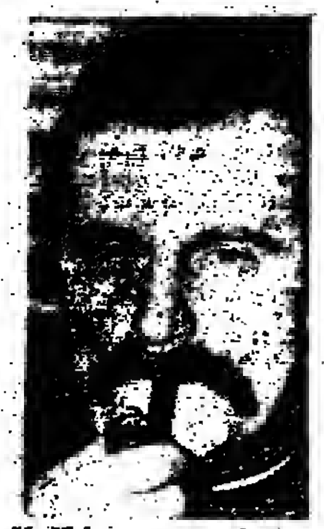
The meeting could signal a shift in emphasis to more open forms of protest within the present legal framework aiming at a *modus vivendi* with the Government.

Announcement of the meeting, however, faces the authorities with the decision whether to continue to ignore Mr Walesa's outspoken statements. Until now, they have assumed that there was little danger of strikes or mass protests being caused by his new line, and have contented themselves with ridiculing him.

Mr Jerzy Urban, the Government spokesman, yesterday professed ignorance of the meeting and refused to comment on it. "Mr Walesa is a private person and the Solidarity union ceased to exist legally last October," he said.

He added, however, that there had to be criminal intent for such a meeting to be illegal.

The short statement from Mr Walesa's home yesterday said that the underground provisional co-ordinating committee "discussed the situation in the country in detail and agreed a common position." The meeting could well be followed by a wider statement containing proposals under which the union movement could come to terms with the Government.



Mr Walesa . . . . problem for authorities

In recent weeks, the task of protesting about the fate of Solidarity and pressing for its return, as well as an amnesty for political prisoners, has rested increasingly on former Solidarity internees released last Christmas.

With the approach of Labour Day (May 1), which last year saw street demonstrations in support of the union, and of the pope's visit in June, many in the movement believe the time has come to press the authorities for recognition of Solidarity.

Press protest to Moscow

THE DIRECTOR of the International Press Institute, Mr Peter Galliner, yesterday sent the following message to Mr Vladimir Suslov, head of the Soviet Foreign Ministry's Second European Department in Moscow:

"Your Excellency: The International Press Institute, an organisation of nearly 2,000 leading editors in Asia, Africa, the U.S. and Europe, protests strongly against the unwarranted expulsion of Financial Times correspondent Anthony Robinson, a highly respected correspondent whose reports are among the best in the whole world.

"This was clearly a reciprocal move contrary to the spirit of the Helsinki Agreement. We urge you to see that Mr Robinson will continue his work in your country and that your Government puts no further hindrance to the work of foreign correspondents and adheres to the international agreement in Helsinki which you have signed."

Greece to join Cyprus in seeking peace deal

ATHENS — Greek Prime Minister Andreas Papandreou and Cypriot President Spyros Kyprianou yesterday ended a series of talks with a promise to proceed "hand-in-hand" in finding a solution to the Cyprus crisis, which was caused by the Turkish invasion of the island in 1974.

Mr Kyprianou, in Greece since last Thursday, described his visit as "decisive" in laying the groundwork for further co-operation. He and Mr Papandreou stressed their hopes for a settlement and said they would intensify their efforts to draw international interest on the issue. Cyprus has decided to take the issue to the United Nations General Assembly next month.

Turkish Foreign Minister Ilter Turkmen described Cyprus's recourse to the United Nations as a "futile effort" in a recent statement. Talks hove been dragging on under UN auspices since the Turkish invasion.

Mr Papandreou said he intended to raise the question at the EEC summit in Stuttgart in June. He reiterated his position that there is no prospect for a positive result from the intercommunal talks on the island as long as Turkish troops continue to occupy its northern part.

Mr Papandreou has repeatedly expressed his opposition to peace talks between Greek and Turkish Cypriots on the war-divided island. AP

Greenland goes to the polls

By Hilary Barnes in Copenhagen

RESULTS ARE expected early today of elections to the Greenland home-rule Parliament, the Landsting, which could have a decisive influence on whether the island remains in the EEC.

The present Greenland administration, its first home-rule government, is formed by the anti-EEC, left-wing Siumut Party, but may well lose its majority.

The other main party, Atassut, which describes itself as social democratic, is pro-EEC, although it has accepted the result of the 1981 referendum calling for withdrawal from the Community.

Commission blow to early UK rebate deal

BY JOHN WYLES IN STRASBOURG

PRIME MINISTER Margaret Thatcher's hopes of securing a new rebate on Britain's EEC budget contributions by the first week of June have been dealt a blow by the refusal of the European Commission to offer any active help.

The Commission is not opposed to a cut in Britain's 1983 payments to Brussels but it does not want to encourage another budget negotiation between member governments before mid-summer.

The 14 commissioners fear that any earlier move by them on the UK problem might cause a fierce backlash in the European Parliament and even a vote to dismiss them from office.

Mrs Thatcher's eyes, however, are firmly set on securing an agreed rebate before the next EEC summit in Stuttgart on June 6-7. She left the last summit in Brussels three weeks ago believing that she had corraled her fellow heads of goverment into delivering such a deal according to her preferred timetable. Moreover, her insistence on a new agreement by early June has fuelled speculation about the possibility of a June British election.

A settlement would help defuse EEC membership as an election issue while a row with the EEC, possibly involving the withholding of some of Britain's budget payments may be even more electorally advantageous for the Conservative Government.

There is no doubt that the British will fight to persuade their EEC partners to deliver on their summit undertakings. On the surface the task ought not to be too difficult: but no budget negotiation in the past has been completed in less than two months, nor has the Commission sat on its hands before.

The Commission's approach was somewhat vaguely spelled out to the Parliament yesterday by its president, M Gaston Thorn. The Commission, he revealed, had not involved itself in the undertakings given to Mrs Thatcher in Brussels because its first priority was to launch proposals for a long-term solution of the British problem based on reforms of EEC financing.

The Commission will produce these proposals around May 4 and EEC foreign ministers are expected to devote much of their May meeting to preparing a report on them for the Stuttgart summit.

The Commission's emphasis on launching long-term proposals before dealing with the UK's 1983 budget problems—a net payment to the EEC of around £1.25bn—is a response to general hostility in the Parliament to more short-term deals for Britain.

M Thorn hinted yesterday that the Commission believes, nonetheless, that the long-term solution will take so long to negotiate that a special rebate for the UK will be needed this year.

But it wants parliamentary opinion to be appeased by the Stuttgart summit first by giving firm guidelines for the major negotiations on EEC financing. This should then be followed by negotiations on the UK's 1983 rebate.

Dispute threatens over Greek property ruling

BY VICTOR WALKER IN ATHENS

GREECE FACES a fresh dispute with the European Community over its legislation forbidding foreigners from owning land and property in so-called sensitive border areas.

The issue has arisen from a recent Supreme Court decision invalidating the acquisition in 1969 of 15 acres on Corfu by Mr Jacob Rothschild, the London merchant banker.

The court decided that the company through which Mr Rothschild bought the land on the northeast coast of Corfu was mainly owned by a Liechtenstein concern, though registered in Corfu.

This enabled the heirs of the original owner, who died in 1980, to raise the ownership issue under 1927 legislation stipulating that ownership of real estate is not permitted for foreigners in what are designated as border areas. Foreigners are not allowed as individuals to buy real estate on such islands but only through companies. Even then Greeks must hold a majority shareholding

Foreigners owning property in the designated areas are reassessing their ownership rights, but an EEC official in Athens has painted out that Community citizens will have the right of action in the European Court in Strasbourg.

This excludes Mr Rothschild, as his company was based in Vaduz, but may give hundreds of others a loophole to protect their property.

The EEC official said that member states had the right under the Treaty of Rome to define areas considered "sensitive" in relation to national security and public order. Also, under its accession treaty, Greece can defer until December 31 1985 the liberalisation of certain forms of capital movement, including direct investment by foreigners.

However, the official surmised, if Greece wished to keep the 1927 legislation on the statute books after 1985 without risking challenge in the European Court it would have to provide far more precise definitions of the national security considerations applying to particular areas.

"Border areas" are basically the regions of mainland Greece adjoining the frontiers of Albania, Yugoslavia, Bulgaria and Turkey and a number of islands mostly in the east and south Aegean, in addition to Corfu as an island close to the coast of Albania.

These islands include Crete and some of the Dodecanese such as Rhodes and Kos, but not the majority of the Ionian, Sporades and Cyclades groups.

Agenda row delays ECE opening

By Anthony McDermott in Geneva

A DAY-LONG wrangle over the wording of a single clause in the agenda delayed the opening yesterday of the annual session of the Economic Commission for Europe.

The ECE, which has 34 members including the Soviet Union, the U.S. and Canada, concentrates in particular on economic and scientific exchanges between the two halves of Europe and is a barometer of political relations. Yesterday the squabbles almost prevented the session starting.

The offending clause concerned "the holding of all-European congresses or inter-state conferences on co-operation in the field of protection of the environment, development of transport and energy."

Since the 1975 Helsinki conference on European security and co-operation, this clause has consistently posed problems. A high-level conference was held on the environment in 1979. Since then, however, the West, led yesterday by Britain, has resisted holding conferences on the other two topics on the grounds that there are more important matters to discuss. On the other hand, the Eastern bloc, led by Poland, has been urging that such conferences be convened.

Last year the Western states expressed opposition to any mention of the clause in the agenda.

Community warned to step up integration

BY IAN DAVIDSON

THE European Community runs the risk of falling apart unless the member states take urgent steps to strengthen the process of integration, especially in the field of defence and security, according to a report released yesterday by five of Europe's leading foreign policy institutes.

Published by the Royal Institute of International Affairs in London and by its counterparts in France, West Germany, Italy and the Netherlands, the report says that the Community has been drifting for a decade while the economic and political difficulties have mounted inside and out.

"If it is to survive, if it is to maintain and strengthen the loyalty of its member nations and their citizens, it needs to rediscover and demonstrate a sense of over-riding common interests, to regain in far more difficult circumstances the dynamism with which it began—before it is too late."

This report, which its authors say is "born out of a sense of alarm and urgency," is the first time that a group of European foreign policy institutes have collaborated on a joint report on a major European issue.

On the economic front, the report calls for a strengthening of the European Monetary System and improved co-ordination of national economic policies. Britain, in particular, should assume full membership

It is essential that the common agricultural policy be reformed, it says. "There is no alternative to bringing, and keeping, output under control; there can be no open-ended commitment for surplus production. . . . It is essential to eliminate the need for aggressive export policies, and to stabilise the agricultural expenses under the Community budget."

The British budgetary problem must be solved, partly by raising the 1 per cent ceiling on the contribution from value added tax, to create more resources for non-agricultural policies, partly by adopting a progressive approach to national contributions, so that the richer countries pay proportionately more than the poorer.

The authors also argue that there is a growing need for a European security policy, and dismiss the notion that the Community can become a "civilian power," dissociating itself from superpower confrontations.

On the nuclear defence front, the report suggests that Britain and France could strengthen deterrence by inviting their European allies to join in planning targets, and by extending to them a nuclear guarantee.

OVERSEAS NEWS

Gulf slick swelling at rate of 4,000 b/d

By Mary Frings in Bahrain and Kathy Evans in Kuwait

THE OIL slick now threatening Gulf shores is thought to be growing at a rate of 4,000 barrels a day, approximately twice the rate officially admitted, an oil industry expert said yesterday. He called the estimate conservative.

Some 225,000 barrels of oil are now reckoned to have poured into the shallow, semi-enclosed waters of the Gulf, which is already ecologically at risk from dense tanker traffic and increasing industrial effluent.

In Kuwait eight Gulf ministers and environmental experts are due to try again today to secure agreement between Iran and Iraq so that a clean-up might begin.

Prospects are grim, however, because of the renewed hostilities between the two countries. Last week the conference of the Regional Organisation for the Protection of the Marine Environment (Ropme) also failed to agree on any immediate steps.

Precise estimates of the size of the slick remain difficult to calculate. One part of it, 20 miles wide but broken up into patches with tarry globules several feet in diameter, was reported yesterday 12 miles to the east of Saudi Arabia's offshore Marjan oilfield.

Zimbabwean dissidents ambush train

By Our Harare Correspondent

INSURGENTS attacked a train on the main line from neighbouring Botswana to Zimbabwe at the weekend, killing the driver.

A Zimbabwe Government spokesman said yesterday that the train, which was heading for Bulawayo, was ambushed about a mile inside Zimbabwean territory. Damage to the locomotive was minimal but the driver was killed and another railwayman wounded.

It is the first time that the dissidents operating against the government in the western province of Matabeleland have attacked a train. Some observers see this as politically significant in that the Botswana railway is used not only for Zimbabwean import-export traffic with South Africa, which is the country's main trading partner, but also for traffic to and from Zambia and Zaire.

During the independence war the railway line from Zambia to the South African ports was attacked relatively infrequently, apparently because the Zipra guerrillas operating in the area were based in Zambia. But there is speculation that since the dissidents have no ties with Zambia, they might now attack the railway that is so important to Zambia.

USSR–Japan talks highlight recent cooling of relations

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE RECENT deterioration in relations between Japan and the Soviet Union was highlighted yesterday when officials from the foreign ministries of the two countries held a six-hour review of political and military development in Asia.

During the talks Japan protested strongly at Soviet attempts to play up reports of reviving Japanese militarism in South-East Asia.

The Japanese side also reiterated calls for the withdrawal from eastern Siberia of Soviet SS-20 missiles and emphasised that Japan could not feel secure while the missiles remained in position.

In reply to Japan's protests Mr Mikhail Kapitsa, the Soviet Deputy Foreign Minister, said that Soviet statements about the political situation in Japan had been based on the objective situation.

The SS-20 missiles in Siberia, Mr Kapitsa explained, were not aimed at targets in Japan but were designed to counter American seaborne nuclear weapons in the Western Pacific.

This explanation was rejected by Japan, which pointed out that the Soviet Navy already had a sizeable nuclear force in the Pacific.

Yesterday's talks, between Mr Kapitsa and Mr Nobuo Matsunaga, the Japanese Vice-Minister of Foreign Affairs, were the first round of a two day routine discussion session between Foreign Ministry officials of the two countries.

At today's concluding session Japan is expected to raise once more the intractable issue of its claim to the four islands north of Hokkaido that were occupied by the Soviet Union in the closing stages of World War Two.

Small is less vulnerable: the age of Midgetman missiles

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REPORT by President Ronald Reagan's Special Commission on Strategic Forces can only further widen the debate on the entire future U.S. epproach to nuclear weepons. The debate has already been intensified in recent weeks by the continuing success of the nuclear "freeze" movement, by Congressional arguments over Mr Reagan's defence budget, and, not least, by Mr Reagan's own dramatic "Star Wars" speech in which be called for the development by the next century of a new space-based system capable of destroying Soviet intercontinental missiles on leaving their silos.

The immediate raison d'etere for the Commission's three-month inquiry was to come up with e recommendation on the best end least vulnerable basing system for the MX missile, the first planned new U.S. intercontinental ballistic missile (ICBM) in two decades. Tha basing issuing has become as embroiled politically at it has militarily.

The MX, first conceived under President Richard Nixon, is seen by Mr Reagan as the weapon that will close the "window of vulnerability," the period during which the Soviet Union, after massive deployments of new missiles, has the supposed capability to wipe out virtually all of the existing 1,000 U.S. Minuteman missiles in their silos in a first strike, while the U.S. has no weapons of comparable accuracy and firepower.

If such a "window" exists, and many experts are coming to the conclusion that it does not, it is wide open right now, and Mr Reagan considers the $26bn MX programme to be an essential part of his strategic arms build-up.

The political probeni is manifold and long-standing. First, President Jimmy Carter's monstrous plan to scatter 200 MX missiles round 4,600 abelters in the Utah-Nevada desert revealed the vigorous resistance of local people to tha housing of any new missiles in their backyards. Even this plan's one-time supporters now accept that it was politically not feasible.

Next came the success of the "freeze" movement. Then tha growing popular resistance to massive increases in defence spending at a time of recession and unemployment — not to mention massive budget deficits.

Finally, Congress rebelled against starting to produce such an expensive weapon if there was no assurance that it was any less vulnerable than the missile it was designed to replace, a view shared by a fair number of MX supporters. By last December the whole programme was in jeopardy.

So, after three years in which countless basing systems were considered and rejected, Mr Reagan finally set up the bipartisan Scowcroft Commission (named after its chairman, Gen Brent Scowcroft), in an attempt to settla the matter once and for all. It has coma up with some fairly interesting conclusion in its report, published on Monday.

First, it says that the current silo vulnerablity problem is not as bad as the pessimists have made out, and is less important when viewed in conjunction with the striking power of the other two legs of the so-called strategic triad — bombers and submarines. Nevertheless, the problem does exist, and at least by the end of the century no land-based silo, however mnch "hardened," is likely to be safe from attack.

The cheapest and best solution in the Commission'e view is "promptly" to place 100 MX missiles in existing Minuteman silos, start work on seeing how the silos can be further hardened and rapidly start work on a new generation of small, mobile single-warhead intercontinental missiles, known as "Midgetman," for deployment in the early 1990s.

The MX, it argues, is still necessary because "it is illusory to believe that we could obtain a satisfactory agreement with the Soviets limiting ICBM deployments if we unilaterally terminated the only new U.S ICBM programme (on which $5bn has already been spent) that could lead to deployment in this decade." That would tell Moscow that the U.S. was unable to neutralise the Soviet advantage in multiple warhead ICBMs and would suggest that the U.S. did not have the will for effective deterrence.

Most interestingly, however, it has suggested a wholly new concept of strategic deterrence, one that has been floated over the years by a number of experts, and espoused most recently by Dr Henry Kissinger, ona of the Commission's special advisers. The idea is gradually to abandon massive multi-warhead launchers (the MX has 10 warheads, some Soviet missiles as many as 14) and move to the smaller and cheaper Midgetman-type missiles, which would be far less vulnerable

Highly, and perhaps oversimplified, the theory boils down to the following: the smaller missiles are less vulnerable as at least some of them could be moved around to undisclosed destinations on mobile, hardened launchers.

If each side had only the same type of missile, it would require one Soviet warhead to destroy one American warhead, and vice versa. If both sides had equal numbers, balance, and therefore greater stability, could be achieved. Ideally, the numbers would be negotiated down to the minimum levels required to ensure that each side sill felt a deterrent existed.

The problem is getting there. The Soviet Union has to be persuaded to move away from the massive multi-warhead missiles that have given it ICBM superiority—and that, the Commission would argue, is another reason for building the MX and the traditional method of counting weapons in arms control negotiations would have to be switched from launchers, a more easily verifiable measure, to warheads.

President Reagan faces two difficult tests of his arms control policies on Capitol Hill in the next two days—one in the Senate and one in the House of Representatives, write Reginald Dale in Washington.

The House is today due to vote on a resolution to "freeze" the nuclear weapons of both superpowers at their current levels, a proposal strongly resisted by the Administration. Mr Tip O'Neill, the Democratic speaker, has forecast that the resolution could pass the 435-strong house by 60 to 100 votes.

The Senate yesterday began debating Mr Reagan's controversial nomination of Mr Kenneth Adelman to be head of the government's arms control disarmament agency, and is to vote on Thursday. Mr Adelman's chances were touch-and-go as the debate opened, following a Senate foreign relations committee recommendation last month, by a nine to eight vote, that his nomination be rejected.

U.S. calls for Cuban and Soviet restraint in Central America

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. has warned the Soviet Union and Cuba that "a dangerous and unacceptable situation" would develop if they attempted to escalate the conflict in Central America by introducing modern fighter aircraft or even combat troops into the region, Mr Thomas Enders, Assistant Secretary of State for Inter-American Affairs, told Congress yesterday.

Mrs Jeane Kirkpatrick, U.S. Ambassador to the United Nations, said in a separate statement on U.S. television that the Soviet Union and Cuba were already planting missiles in Central America and aiming them at the U.S.

There have been reports from Moscow that the USSR might ask Nicaragua to accept nuclear missiles which could reach tha U.S. in response to U.S. deployment of new cruise and Pershing 2 missiles in Europe.

Mr Enders said the solution to the conflict must lie through negotiation, preferably at regional level. He again appealed to the Sandinist Government of Nicaragua to join the dialogue. Nicaragua had repeatedly rejected offers of negotiations, from August 1981 right up to last week, he told the Senate Foreign Relations Committee.

Mr Enders warned it was conceivable the Sandinists in an effort to distract attention from their internal problems might "lash out at their neighbours," attacking Costa Rica or Honduras.

For over a year, Managua had been running terrorist operations in San Jose and infiltrating guerillas into northern Costa Rican provinces, he said. There had also been frequent border incidents with Honduras.

Mr Enders declined to discuss whether the right-wing guerillas attacking the Sandinist Government inside Nicaragua had American support, but claimed they were trying to restore democracy.

He said there were now "several thousand" guerillas active in Nicaragua, that the areas of their operations were spreading, their numbers growing and that they seemed to be attracting local support.

Mr Enders said that from 1979 to the end of last year Nicaragua had received an estimated $125m (£83.3m) of military supplies and equipment from the Soviet Union alone — against $121m El Salvador had received from the U.S. in the same period.

Nicaragua had obtained by far the heaviest tanks in Central America, heavy artillery, anti-aircraft weapons, assault helicopters, rocket launchers and patrol boats.

More significantly, he said, large numbers of foreign military and security advisers had been introduced. No less than 2,000 Cubans, 50 Russians, 35 East Germans, and 50 PLO and Libyan personnel

Mr Enders also produced a string of detailed allegations of bow arms were reaching the Left-wing El Salvador rebels through Nicaragua, including an increasing quantity of heavier weapons such as M-60 machine guns, M-79 grenade launchers, and M-72 anti-tank weapons.

Ministers in peace tour

PANAMA CITY—The foreign ministers of Colombia, Mexico, Panama and Venezuela yesterday embarked on e two-day tour of Central America in an effort to cool tempers and defuse tensions in the region. The ministers will hold talks with top government officials in the countries visited.

"Wa are confident that the desires of the Central American countries themselves are already a motive for certain optimism," Sr Juan Jose Amado, Panama's Foreign Minister, said of the whirlwind peace-making effort.

Sr Amado announced the trip after the foreign ministers emerged late on Monday from e 14-hour meeting about tha widening conflict in Central America.

AP

Pressure grows for legal curbs on foreign lending by U.S. banks

BY WILLIAM HALL IN PUERTO RICO

THE LIKELIHOOD of the U.S. Congress passing controversial legislation to curb the foreign lending of U.S. banks has increased substantially following the failure of senior federal banking regulators to convince the Senate banking committee that the imposition of tougher rules on foreign bank lending should be left to their discretion.

Mr Paul Volcker, chairman of the Federal Reserve Board, Mr C. T. Conover, Comptroller of the Currency, and Mr William M. Isaac, chairman of the Federal Deposit Insurance Corporation, presented their five point programme to strengthen supervision of U.S. banks' foreign lending to the Senate Banking Committee on Monday. They said that it could be implemented without the need for new legislation.

However the committee made it very clear late on Monday that they wanted a legislative proposal which would curb foreign bank lending and it did not want to rely solely on the discretion of the banks' regulators.

The three bank regulators have agreed to submit a legislative form of their proposals by Friday and Senator Jake Garn, chairman of the Senate Banking Committee, has said he will "mark up" legislation by next Tuesday.

The legislation curbing foreign bank lending by U.S. banks is likely to be tacked on to a Bill involving the increase in U.S. quotas subscriptions to tha International Monetary Fund, which has to pass both the Senate and tha House of Representatives by May 15 if the IMF is to get its money this year.

The Senate Banking Committee is considering its own Bill which will impose strict country lending limits on banks' foreign operations and also specify when banks should make special loan loss reserves.

Mr Thomas Farmer of the Bankers Association for Foreign Trade (BAFT), which is holding its annual conference in Puerto Rico, said yesterday that these are "very far reaching proposals which have gained very broad support very rapidly although they are opposed by the Administration, the banks and the regulators."

Ha said that banks feel that if they are to be more heavily regulated it should be left to the discretion of the regulators and not mandated by legislation.

Argentine military officials say Galtieri is under house arrest

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S long and bitter post-mortem on the Falklands war appears to have taken a dramatic twist with the reported arrest yesterday of Gen Leopoldo Galtieri, the former President, who ordered the invasion of the Falklands Islands last April.

Late yesterday there was no official information from the junta or the army beadquarters on the fate of Gen Galtieri. But military officials confirmed that he had been placed under house arrest on orders from the army chief, Gen Cristino Nicolaides. Ha was said to be awaiting transfer to a military barracks for an initial three-months imprisonment.

Gen Galtieri'e arrest follows the publication over Easter of a controversial interview in which be severely criticised senior Argentine officers for his country's defeat at the hands of Britain.

He also claimed to bave narrowly averted a civil war by agreeing to step down from government rather than calling on the alleged loyalty of a number of regiments.

The statements violated Argentina's military code which restricts retired officers from pronouncing on military and political issues.

General Galtieri

Gen Galtieri has been keeping a low profile since being ousted in a bloodless palace coup last June. He claimad that the interview was the latest in a series of off-the-record conversations which have been published without his permission.

His statements, however, have been exploited by members of the armed forces, who blame Gen Galtieri for the conduct of the war.

Some officers hope that he may eventually face a longer term of imprisonment once the junta has published its long-delayed information on the Falklands war probably in June.

Gen Nicolaides, who served on the ruling three-man junta, is understood to have been reluctant to arrest Gen Galtieri for fear that such e move could further destabilise the already deeply divided armed forces.

Gen Nicolaides is reported to have bent under pressure from senior military officials and middle and junior ranking officers in e series of stormy meetings last weekend.

The officers criticised by Gen Galtieri in his interview include Gen Mario Menendez, the former miiltary governor of Port Stanley, Gen Llamil Reston, the Minister of the Interior, and Gen Nestor Calvi, the Army Chief of Staff.

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Source: Office for Population, Censuses and Surveys.

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Tokyo 'shocked' by EEC demand for Gatt hearing

BY CHARLES SMITH IN TOKYO

OFFICIALS AT Japan's Ministry of International Trade and Industry expressed shock yesterday at the decision by the EEC to press ahead with plans for multilateral hearings within the Gatt on the alleged existence of access problems in Japan's import market.

They said the EEC decision to seek a trade working party into the issue within Gatt revealed Europe's fundamental lack of strategy in dealing with Japan and suggested that the effect of the move would be to discourage further bilateral trade concessions.

In a half humorous, but nevertheless bitter, comment on the EEC action an official said that whereas Japanese farmers believe that they can increase the milk yield of their cows by playing music to them Europe was trying to squeeze "milk" out of Japan by making threatening noises. The only result of the European action the official added would be to dry up the milk yield completely.

Japan was told of the EEC decision to go ahead with invoking procedures for multilateral hearings within the Gatt last Friday a few hours before a formal request was placed with the Gatt Secretariat. Despite the reaction of officials in Tokyo the news did not come at a total surprise. The EEC announced plans last December for invoking the Gatt clause in question — Article 23, paragraph II — following what Europeans saw as the failure of an earlier round of bilateral talks with Japan under Article 23, *paragraph I. Japanese* officials claim, however, that they did not believe that the "*hostile*" step of invoking paragraph II would in fact be taken.

One reason why Japan claims to have been upset by the EEC's action is the perception of Japanese officials that the Tokyo Government went unusually far during February and March to "placate" the EEC on a number of bilateral trade issues. In early February three weeks of negotiations on European demands for Japanese export restraint ended with a commitment by the Ministry of International Trade and Industry (Miti) to hold down shipments of video tape recorders to the whole EEC market to specified limits over a three-year period. This was followed, in March, by the announcement of an import liberalisation package promising the simplification of procedures for inspecting manufactured products. Japanese officials feel that these and other measures should have been enough to convince Europe that the Government was already doing everything in its power to remove the causes of trade tensions.

Japan has no means of appealing against the European invocation of Article 23 Paragraph II but the Government does plan to put its case to other Gatt signatories

● Mr Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (Gatt), has warned that growing restrictions on steel imports by some major markets would prevent developing countries from repaying the enormous foreign debts they incurred building large steel mills, agencies report from Seoul. In a lecture on Monday on Gatt's role in trade, Mr Dunkel cited import restrictions and the distortion of export markets through "government subsidies" as the greatest threats to free trade.

Metallgesellschaft seeks anti-dumping duties

BY PAUL CHEESERIGHT IN BRUSSELS

METALLGESELLSCHAFT, through the Federation of European chemical producers, has launched an anti-dumping case against U.S., Soviet and Chinese producers of lithium hydroxide, a specialised lubricant used in the oil production industry.

The case, to be investigated by the European Commission, provides new evidence of the diligence of the chemical producers in pursuing anti-dumping cases. The federation is the most active in this regard of all the EEC industry groupings.

U.S. officials yesterday noted that European industrial producers have launched 13 anti-dumping cases against the U.S over the past year, and of this total eight involved chemicals.

The present case has its origins in 1980 when Metallgesellschaft, the only EEC producer of lithium hydroxide, complained against dumping by Lithium Corporation of America and Foote Mineral, as well as against Soviet sales.

Foote Mineral gave the European Commission an undertaking about maintaining its price levels, but Lithium Corporation was subject to a 5 per cent anti-dumping duty on top of the normal 7.7 per cent tariff. The anti-dumping duty for the Soviet Union was 4.4 per cent.

Case of alcohol dumping

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Court is being asked to halt France's alleged dumping in other EEC markets of agricultural alcohol used in gin, vodka and vinegars.

Following sustained complaints from Britain, West Germany, Belgium and the Netherlands, the European Commission placed the disputa before the Court after rejecting French arguments that its pricing policy was compatible with EEC law and that, in any case, could not be adjusted, because of existing contracts, until the beginning of the next marketing year starting in September.

The Commission is asking for an interim ruling that would effectively force France to tax its exports of alcohol derived from sugar-beet molasses which, Britain claims, was unfairly threatening its own alcohol industry, which is dominated by BP.

Britain, in the forefront of the pressure for Commission action, says that French exports to the UK have climbed from virtually nil four years ago to around 16m litres, taking more than half of the British market.

Egypt to buy UK aircraft

BY CHARLES RICHARDS IN CAIRO

BRITISH AEROSPACE has won a contract for three HS 748 airliners from the Egyptian carrier Egyptair in the face of stiff competition from Fokker of the Netherlands.

The text of a contract has been agreed and is expected to be signed in Cairo within a matter of days.

At present Egyptair is leasing two Fokker Friendships, owned by former formula I racing champion Nikki Landa, for use on its domestic flights to Sinai. Fokker had hoped that Egyptair's experience with the aircraft would make it buy Fokkers when the lease runs out at the end of the month.

British Aerospace were not able to match the Dutch financing. But they were able to beat the Dutch on price at £12m from British Aerospace, including spares.

Cockfield urges UK companies to grasp opportunities in China

BY ANDREW FISHER IN HONG KONG

THE UK Government is pushing hard for British companies to become more involved in China's offshore oil activities and in a major power station deal still to be agreed in Guangdong, Lord Cockfield, UK Trade Secretary, said in Hong Kong yesterday.

He added that Hong Kong itself ought also to be involved in the development of Chinese oil reserves. "A big opportunity is available in the South China Sea. We want to see British companies helping in that development."

Lord Cockfield's remarks at a press conference during his visit here reflected UK Government concern that British companies had not taken enough interest in the Chinese offshore oil market which will develop once licences have been granted.

Speaking of the Chinese proposal to build a nuclear power station in Guangdong province, he said: "We regard this as one of the major opportunities available to the UK—we are pursuing it vigorously."

Britain's General Electric Company hopes to supply conventional, non-reactor, equipment for the Guangdong plant from which Hong Kong itself is expected to buy most of the power.

Lord Cockfield said Britian had already held extensive talks with Chinese officials on the project. A technical team from GEC would visit China and he would also go to the country shortly. His visit would be "another opportunity to carry matters a step forward."

The Trade Secretary also called on British companies to build up trade with Hong Kong. UK exports to the colony had risen in 1982. "I would now like to see British companies making a yet greater effort in such fields as electronics, information technology, building materials, consumer goods of all types, and offshore oil."

● Mr Patrick Jenkin, Britain's Industry Secretary, is to visit the U.S. from April 8-20, to promote investment in the UK from U.S. companies. He will visit New York; the West Coast, including Silicon Valley; Denver and Houston. His programme consists of a round of company visits and other engagements. He will speak directly to businessmen and industrialists, particularly those in high technology companies. One aim is to explore telecommunications liberalisation and draw on the experience of U.S. industry.

Peter Bruce reports on developments in the West European market

Machine tool boom predicted

MACHINE TOOL manufacturers in Western Europe could be heading for a new business boom by the end of the decade, according to a U.S. report which predicts that consumption of metal cutting machine tools in the UK and on the Continent will almost double between now and 1990.

The report, published by New York analysts Frost & Sullivan, forecasts that the market for metal cutting tools, which constitute about 75 per cent of the European machine tool market, will rise from $3.9bn this year to $7.4bn by 1990.

The resurgence in machine tool sales in the 13 Western European countries studied, should, according to the report, begin to be felt as early as 1987, by which time consumption should reach $5.8bn. One of the biggest increases is likely to be experienced in tha UK, where sales are forecast to rise more than 160 per cent, from a low of $520m this year to $1.37bn by 1990.

The report warns, however, that Western European machine tool builders must prepare to meet a challenge from importers as the market begins to bottom out and recover from the "worst depression in the history of the industry."

Imports from the Far East (almost exclusively Japan), into Western Europe have been allowed to grow far beyond the level at which some domestic industries can remain viable, the report notes.

On a country-by-country breakdown, the report shows that:

● West Germany is the largest market for machine tools in Western Europe and a number of producing nations, notably Switzerland, Austria, Belgium and the Netherlands depend on the West German market for more than 20 per cent of their machine tool exports.

● The Italian machine tool industry, Western Europe's second biggest, has weathered the recession well, although export sanctions against the Soviet Union have helped induce a late downturn in orders. From 1978 to 1981, the Soviet share of Italian exports dropped from 12.8 per cent to 5.5 per cent. Japan, however, has not made a great impression on the Italian market.

● Britain has a negative trade balance for numerically controlled machine tools. "This rather tragic state of affairs seems totally unnecessary to us," the report says.

"The UK machine tool industry is well able to make such machines but the industry becama 'tired' in the 1960s and fierce competition proved to be overpowering."

The report recommends that the UK machina tool industry should concentrate on producing more sophisticated tools in traditional areas, introduce more numerical control, improve delivery schedules, market more aggressively and improve existing finance assistance.

● France has lost its place in the world machine tool production scene. However a three-year, $700m Government-funded plan to rescue the industry is now under way.

Metal Cutting Machine Tools Market in Europe. Frost and Sullivan Inc, 106, Fulton Street, New York, NY 10038. Price $1,550.

FORECASTS OF METALCUTTING MACHINE TOOL CONSUMPTION

($m)

Country	1980	1981	1982	1983	1985	1987	1990
West Germany	1,943	1,543	1,251	1,205	1,402	1,677	2,171
Italy	815	660	658	652	776	922	1,125
UK	924	468	400	520	758	1,050	1,370
France	786	813	685	647	671	908	1,108
Austria	106	219	130	131	157	196	249
Belgium	134	72	81	82	99	124	157
Denmark	45	31	30	31	36	45	58
Netherlands	110	86	78	79	95	119	151
Norway	58	51	43	44	52	66	83
Portugal	41	38	32	32	38	47	60
Spain	136	111	98	99	120	149	190
Sweden	161	161	128	130	156	194	247
Switzerland	302	235	246	247	298	372	472
Total	5,642	4,488	3,860	3,900	4,650	5,870	7,440

Source: Metal Cutting Machine Tools Market in Europe

Deutsche Bank sees East-West trade fall

By John Davies in Frankfurt

PROSPECTS for western exports to the Soviet Union are likely to dim this year but remain good over the longer term, according to the Deutsche Bank, West Germany's largest bank.

The bank, which is heavily involved in financing trade with Eastern Europe, has come out strongly in favour of greater East-West trade. Its study, outlining the advantages to the West from such trade, has been published at a time of growing concern in West Germany over reports that the U.S. plans to press for new trade curbs, notably in high technology areas.

Deutsche Bank says that the Soviet Union—as a major oil producer—will in any case feel the pinch from the fall in oil prices and may have to trim its foreign trade this year.

Oil and other energy-related raw materials provided the Russians with about three-quarters of their export earnings of $26bn from the West last year. The most recent oil price cuts could reduce Soviet earnings this year by about $3bn, the bank says.

On the other hand the Soviet Union has a low level of foreign debt and high currency reserves.

Deutsche Bank says that West German trade with the Soviet Union in the first two months of this year was 45 per cent higher than a year ago. Despite short-term limitations, West German companies could be optimistic about developing trade with Moscow, it says.

The bank has plunged further into controversy by arguing that trade with the Russians has been of significant anti-cyclical benefit to the West, helping to sustain jobs and production

It has been estimated, the bank says, that at least 100,000 jobs in West Germany are dependent on exports to the Soviet Union and possibly as many as 600,000 jobs in members of the Organisation for Economic Co-operation and Development (OECD).

The bank also takes issua with the view—frequently emphasised by the U.S.—that western technology is of vital benefit to the Soviet Union.

Most western manufactured goods imported by the Russians could be produced in the Soviet Union itself or in other Eastern bloc countries, the bank says.

Colombian coal project orders

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

BRITAIN hopes to pick up $100m worth of orders from Colombia linked to the giant Cerrejon coal project on the Colombian Caribbean coast.

The Export Credits Guarantee Department is insuring a $100m line of credit made available to Carbones do Colombia (Carbocol) by Lloyds Bank, Barclays Bank and National Westminster Bank.

The Cerrejon coal deposit is one of the biggest in the world, and work is currently taking place on two distinct developments of it. Carbocol is in partnership with Intercor, a subsidiary of Exxon, for the northern part of the deposit which will eventually yield 15m tonnes a year. Exports, through the newly developed port of Bahia de Portete will start in 1986. Exxon has charge of the international marketing of the coal and has forecast export sales worth £1bn by the end of the century.

A more modest development is taking place in tha central part of the Cerrejon deposit in which a Colombo-Spanish consortium, Domini-Prodeco-Auxini, will produce an eventual total of 1.5m tonnes of coal a year.

The ECGD guarantee is for British goods to be purchased for the bigger northern development.

Britain seizing bigger export share, says Howe

BY MAX WILKINSON, ECONOMIC CORRESPONDENT

BRITAIN's trading record has improved since 1980, compared with the performance in previous decades, Sir Geoffrey Howe, the Chancellor of the Exchequer claimed yesterday.

In a speech to London businessmen, he said Britain had a long record of relative failure in export markets and in competing with imports at home. Year after year, the current account of the balance of payments showed a deficit, the UK's share of world export markets declined and relative living standards also fell.

However, he added: "Compared with that record over several decades, we have in fact done much better over the years since 1980."

The current account moved into surplus, and last year British exports captured an increased share of the world export markets for manufacturers. "After allowing for North Sea production, our total share of world export markets rose rather more."

Although there was a widespread belief that British competitiveness had fallen, the index of relative unit costs in manufacturing was now at about the same level as it had been in 1965, also it was about 15 to 20 per cent below its level in 1975.

Sir Geoffrey strongly rejected the Labour Party's suggestion that competitiveness could be improved in the long term by a substantial devaluation of the pound. This, he said would lead to a short-term advantage but it would also lead to increased inflationary pressures.

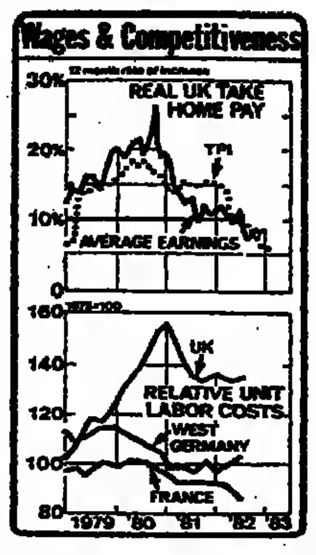
This would be a "temporary pain reliever." The only lasting cure would be through a reduction of relative industrial costs by other means.

These included lower wage settlements, increased productivity and improvements in quality and the non-price elements of business competitiveness.

"The German chemical and metalworking industries have recently settled at only 3.2 per cent. That shows that our competitors can still achieve lower settlements than ours. So it's crucial that the level of pay settlements should continue to fall," he said.

This underlined Sir Geoffrey's message that the key to a more lasting prosperity was the reduction of wage settlements.

● Another strong indication of the Government's hopes that a sustained recovery in economic activity is beginning to get under way was given by Mrs Margaret Thatcher, the Prime Minister in the House of Commons yesterday, Ivor Owen adds.



When reminded by Labour MPs of earlier "false dawns," Mrs Thatcher said the first signs in 1981-82 of an upturn in Britain coincided with the worst of the recession hitting West Germany. Now, she said, there were signs of an upturn not only in Britain, but in West Germany and the U.S. as well.

Strike ballot law for unions on the way, says Tebbit

BY KEVIN BROWN, PARLIAMENTARY STAFF

THE GOVERNMENT is going ahead with legislation for compulsory trade union strike ballots, Employment Secretary Mr Norman Tebbit said in the House of Commons yesterday.

Mr Tebbit told back-bench Tory questioners the Government's intentions would be published soon, possibly as n White Paper (policy document).

He agreed that some industrialists feared compulsory ballot could worsen some disputes by polarising attitudes.

He said this point had been made in many replies to the Green Paper (discussion document), Democracy and Trade Unions, but he assured MPs: "The measures which are finally brought forward will not only be effective, but highly flexible too."

Mr Tebbit said the "overwhelming thrust" of responses to the Green Paper was that legislation was needed to improve protection for trade unionists and to ensure that unions practised n degree of democracy.

He was attacked by Mr Eric Varley, Shadow Employment Secretary, for excluding from the Green Paper "undemocratic and unauthorised business donations to the Conservative Party."

Mr Tebbit said all company donations were subject to shareholders' approval.

Employment Under-Secretary Mr Peter Morrison said the Government would announce later this week whether unemployed young people taking part in the Youth Training Scheme (YTS) would be offered places in the armed forces.

Mr Barry Jones, Labour's frontbench spokesman, accused the Government of n "last desperate pre-election massaging nf the jobless figures to propel our teenager towards the Army and towards backdoor conscription."

Mr Morrison pointed out that the YTS was voluntary. The fact that 250,000 young people were unemployed was an indictment of Labour's past "mismanagement" of the economy.

Mr Morrison said major employers had so far promised 65,000 YTS places, and 100,000 new training places under the Youth Opportunities Programme would be converted to the new scheme.

"I am confident the target of 460,000 entrants to the scheme this year will be met," he said.

North Sea price endorsed by BP

By Ray Dafter, Energy Editor

BRITISH PETROLEUM has formally agreed to British National Oil Corporation's (BNOC) proposals for a $30 a barrel reference price for North Sea nil.

Its acceptance practically assures success to BNOC's proposed pricing package, at least for the time being. It also lessens the chance of a cut-price battle between North Sea producers and exporters of similar quality crude – such as Nigeria – within the Organisation of Petroleum Exporting Countries (Opec).

Under the proposals, the price of BP's Forties crude is being cut from $33.50 to $30.50 a barrel as from February 1 and to $29.75 n barrel as from March 1. Other North Sea crudes, of slightly higher quality to that of Forties, are to be priced at $30 a barrel from March 1.

BP has been among the most hesitant of North Sea producers faced with BNOC's proposals. At one stage it was openly critical of the pricing package agreed by Opec and now accepted hy BNOC.

In particular, BP criticised the difference in prices charged for various grades of crudes.

But yesterday the company would say no more than that it had accepted BNOC's proposals.

Film industry likely to get more funds after Gandhi Oscars

BY ARTHUR SANDLES

A SUBSTANTIAL rise in the amount of money invested in British film and television productions is likely as a result of the winning of eight Oscars by the UK film, Gandhi, in the U.S. Academy Awards.

The nwards alone may add £10m-£15m to the returns of the joint investors, Goldcrest Films and the Indian Government.

Goldcrest, a subsidiary of Pearson Longman and n sister company of the Financial Times, invested £7m of the £11m total production costs. The rest was taken up by the Indian Government.

The film, already a huge international success, might be expected to gross $150m at box offices around the world, although cinema and distributors' deductions will lessen the amount received by the backers. Oscar success normally adds at least 20 per cent to a film's revenue.

The size of the return has encouraged Pearson Longman to bring forward plans for n further expansion of its film and television activities. "We had planned to go into another expansion for Goldcrest Inter this year. We may now go forward into the next phase much sooner," said Mr James Lee, chief executive of Pearson Longman. The money will go into film and TV production.

"I am absolutely overwhelmed," Mr Lee said of the awards. "With Gandhi as the centre of our portfolio we really can establish the company as the leading edge nf the new film industry."

Gandhi won the nward as best picture of the year. Sir Richard Attenborough won the best director award. Mr Ben Kingsley, who played Mahatma Gandhi, won the best actor nward in spite of fierce competition from Paul Newman, a Hollywood favourite and star of The Verdict. Other awards went to Gandhi for screenplay, editing, cinematography, art and set direction and costume design.

News of the awards came on the day that representatives of the British film industry were seeing the UK Trade Minister with responsibility for films, Mr Iain Sproat, seeking massive support for British film-making. Mr Sproat, who is about to reveal plans for future Government intervention in the film business, is believed to be planning an end to the UK scheme for n levy on cinema seat sales (the Eady Fund). The film-makers' delegation sought a continuation of the levy, but also the imposition of additional payments from television and the video cassette business.

Coal sales likely to drop by 4m tonnes this year, unions told

BY JOHN LLOYD, LABOUR EDITOR

MR NORMAN SIDDALL, chairman of the National Coal Board (NCB), yesterday told mining union leaders that he expected coal sales in the present financial year to drop by a huge 4m tonnes, or the output of eight medium-sized pits.

In a sombre presentation to the unions in a meeting of their joint consultative council, Mr Siddall said that demand showed no sign of picking up in any sector, except marginally in industrial sales.

Electricity sales would be the lowest since 1969, last year's sales, at 110m tonnes, had been the lowest since 1967. The 10m tonne balance of the 120m tonnes produced had been put to stock.

Mr Siddall said negotiations with the Central Electricity Generating Board (CEGB) would open in October on a new agreement on coal sales for the coming year.

The NCB has accepted that there must be a "new understanding" with the CEGB, which last year assisted the coal board by taking several million more tonnes than it required in exchange for a two-tier pricing structure which gave it a 7 per cent reduction on all coal purchased above 70m tonnes.

However, the CEGB is unlikely to repeat the favour, and is pushing strongly for a "three-tier" structure which would put pressure on the board to close its high cost pits more rapidly.

The NCB's position is likely to be particularly acute in Scotland, where new nuclear capacity at Peterhead, and at Hunterston, is now fully on stream and working well. There, the coal take by the South of Scotland Electricity Board is likely to go down from more than 8m tonnes to between 5m and 5.5m tonnes.

Even Mr Siddall's good news on productivity was tempered by the fact that miners were producing more efficiently at a time when the extra production was not required.

● The eight-day strike which closed the British Steel Corporation's South Yorkshire division ended yesterday, wheo the executive of the Iron and Steel Trades Confederation (ISTC) approved a compromise plan for n return to work.

Hint of accelerated closure of old pits

BY OUR ENERGY EDITOR

THE NATIONAL Coal Board yesterday gave a further strong hint that it was determined to push ahead with the closure of uneconomic pits.

Mr John Mills, deputy chairman, said the closure programme agreed with the Government and trade unions in 1974 had fallen well behind schedule, whereas the Coal Board had met its commitment on investment in new production capacity.

He told the Coal Preparation Technology Symposium at Kenilworth, Warwickshire, that since 1974 the board had invested £4bn under the original Plan for Coal proposals. The plan had put the emphasis on the generation of 42m tonnes of new and replacement capacity by the mid-1980s and the board had approved major projects which would generate that amonnt. Projects providing an additional 16m tonnes a year of capacity had already been completed.

On the nther hand the elimination of nld capacity had proceeded at only about half the rate agreed by the board, Government and unions. Under the tripartite agreement, some 3m to 4m tonnes a year of capacity should have been closed each year, he said.

$26m recovered from ex-Howden directors

B JOHN MOORE, CITY CORRESPONDENT

ALEXANDER & ALEXANDER Services, the world's second largest insurance broker, has recovered $26m from former executives of Alexander Howden, the troubled London insurance broker which it took over last year.

Details are revealed in the latest report and accounts of the group. Alexander & Alexander Services, which is also the second largest insurance broker in the U.S., said in its accounts that a financial review after the takeover uncovered a series of transactions involving the placement of reinsurances with companies "secretly owned by Howden officers and directors."

A special investigation was mounted during which "evidence of other questionable business practices at Howden was discovered."

At the time of its discovery of the problems in Howden last year Alexander & Alexander had alleged that up to $55m had been misappropriated by Mr Kenneth Grob, the former chairman of Howden. Mr Ronald Comery, Mr Alan Page, Mr Jack Carpenter and Mr Ian Posgate, Howden's former star underwriter.

The allegations said thnt money had been diverted out of insurance companies owned by Howden and Lloyd's syndicates under the management of Howden to companies secretly controlled by the five men.

Alexander & Alexander sought to recover a net $23m from four of the individuals involved, but not Mr Posgate, in a secret agreement of last August. As part of the American group's recovery efforts Alexander & Alexander managed to gain control of 80 per cent of shares in the Banque du Rhône et de la Tamise, a Swiss bank secretly controlled by the five through a series of trusts.

At the time it was estimated that the stake was worth $20m, but since then Alexander & Alexander has nearly reached its recovery target of $29m, with $26m repaid by the former Howden executives.

A court recently ruled that Alexander & Alexander must settle its differences with four of the Howden directors – Mr Grob, Mr Comery, Mr Page and Mr Carpenter – through arbitration set down in the secret agreement of last August.

Stricter disclosure rules, Page II

ENERGY REVIEW

Why decontrol of U.S. gas prices is a touchy issue

By William Hall in New York

"WHEN President Reagan completed the decontrol of crude oil, gasoline prices began to come down, and they have been coming down ever since in a free market where competitive forces could interact . . . decontrol can work for natural gas too. Its time has come. By pricing natural gas competitively with other fuels, drilling activity would increase, old wells would get a shot in the arm from new investment, market distortions would disappear, industrial competition would be restored and consumers would enjoy lower prices"—Donald G. Russell, Shell Oil's vice president for production, March 31 1983.

If only it was so simple. Congressional hearings on President Reagan's plans to decontrol all natural gas prices in the U.S. by January 1986 are scheduled to begin shortly. Observers reckon the chances of the proposals being turned into legislation are little better than 50-50.

Natural gas is America's leading source of domestically produced energy and the only major source still subject to extensive federal price controls. Since natural gas provides more than a quarter of the country's energy needs, and heats more than half of U.S. homes, it tends to be a highly emotive issue.

The subject of natural gas control is particularly sensitive since U.S. consumers have been suffering sharp increases in gas prices at a time when the industry is patently producing too much. Wells are being closed down and world oil prices are falling.

Some people are paying as much as 75 per cent more for their gas than others and the U.S. is importing substantial amounts of gas from Canada and Mexico at prices twice the average received by U.S. producers.

Reagan: plans complete decontrol by 1986

The question of what will happen to natural gas prices following the removal of controls is central to the debate. Prices have already been rising rapidly. U.S. energy administration figures show that prices have risen at an average annual rate of 18 per cent between 1970 and 1981. The average wellhead price has jumped by 175 per cent since 1978.

But overseas competitors of major gas using industries, like paper, still complain that U.S. companies are being subsidised by their access to low cost natural gas supplies. Even after recent price increases, U.S. consumers are still able to heat their homes with natural gas for half the price it would cost with oil. The U.S. natural gas industry is riddled with regulatory horror stories and a labryinthine price structure with some two dozen prices for the same product. Some gas sells for as little as 20 cents per mcf (million cu ft) while other prices are as high as $9 to $10 for basically the same product.

At the same time there is continuing concern that in spite of temporary surplus—estimated at two to three trillion (million million) cu ft — the U.S. could face serious shortages by the end of the decade.

NATURAL GAS PRICES AND PRODUCTION

Major gas producers—1981

	Av. price $ per MCF	Production m cu ft
Exxon	1.47	1,118,725
Texaco	1.25	791,320
Standard Oil (Indiana)	2.15	832,200
Mobil	1.62	664,010
Shell	2.02	664,300
Gulf	1.54	615,025
Standard Oil of Calif.	2.21	438,365
Tenneco	2.13	43,742
Arco	1.77	425,225
Union	2.00	413,691
Sun	1.94	380,330
Phillips	1.67	328,135
Getty	1.86	319,488
Cities Service	1.63	301,016
Superior	2.56	288,000

Note: Production figures for Texaco and Arco refer to U.S. sales of natural gas since domestic production is not reported.

Sources: Company annual reports and 10K's

Most of the time since 1970 the U.S. was using more gas than it was discovering and proven domestic reserves fell by close to a third over the period.

Excluding the large Alaska reserves—for which no pipeline has yet been built—reserves do not look encouraging. At the end of 1967 the proven gas reserves in the other 48 states totalled an estimated 289 trillion cu ft (tcf). At the end of 1981 reserves had dropped to an estimated 169 tcf. The U.S. had exhausted more than two-fifths of its proven reserve base in only 14 years, and at current rates of production it has only 10 years of proven supplies left.

Official concern about the need to replenish the country's fast disappearing reserves of natural gas combined with the inability of government controls to adjust to changing world market conditions has meant that a solution to the regulatory nightmare is long overdue.

Federal regulation of the industry goes back before World War II but the current problems did not surface until the middle of the last decade. Throughout the 1950s and 1960s gas prices were kept artificially low and consumption mushroomed from less than 10 trillion cu ft a year to a peak of 22 trillion cu ft in 1973.

The winter of 1976-77 marked a turning point for the U.S. natural gas industry. Its production fell, severe shortages developed and began to lead to unemployment as factories closed. Schools using gas heating had to be closed and some consumers were unable to get supplies to heat their homes.

The Government's response was to pass the natural gas policy act (NGPA). It was based on the recognition that domestic supplies of natural gas could increase only if the U.S. started to abolish price controls and allow prices to be set by the market place rather than by Government regulations.

The underlying objective of the legislation was to reduce the discrepancy between gas prices and oil prices by introducing a phased and partial scheme for the deregulation of natural gas prices. The assumption was that oil prices would have risen to $15 a barrel by 1985.

Against this background the U.S. Government began to ease natural gas prices so that the market price for decontrolled gas would be the equivalent of $15 a barrel of oil by 1985. Subsequent events have undermined the usefulness of this assumption and led to fears that come 1985 U.S. natural gas prices will jump sharply as they move closer to the going market rate for oil.

The 1978 legislation is complex, but it basically established three broad categories of natural gas prices. The price of "old" gas which had been discovered prior to January 1977, and which accounted for roughly two thirds of U.S. production, was to remain controlled by the Government indefinitely.

The abolition of price controls related to the other two categories. Gas discovered after February 1977, which was referred to as "new" gas, was allowed to rise fairly rapidly and scheduled to be completely freed from controls by 1985. Finally, the U.S. authorities abolished controls immediately on the price of gas produced via unconventional means—from sand, shale, or deep geological formations ("deep" gas).

Whilst the act was e step in the right direction it still means that after 1985 about half of the country's gas supplies—gas coming from the "old" fields—will be subject to official price controls. This will only decline as these reserves are exhausted.

The 1978 legislation was a compromise and has not been a great success. It has encouraged oil and gas companies to drill for very deep and expensive gas whilst discouraging producers from maximising returns from the existing cheaper gas fields where prices were controlled.

The act was framed against a background of world concern about energy shortages. This has exacerbated the subsequent problems since it meant that pipeline companies became anxious to sign up long-term supply contracts which often involved commitments to take substantial quantities of the more expensive "new" or "deep" gas.

PRICES, VOLUMES UNDER REAGAN PROPOSAL

	1982	1983	1984	1985	1986	1987	1990
				1982 $ Mcf			
Gas prices							
Average U.S. wellhead	2.70	2.60	2.95	3.15	3.60	4.88	4.55
Residential	4.86	4.76	5.07	5.32	5.76	6.22	6.68
Industrial	3.67	3.58	3.89	4.06	4.49	4.94	5.37
				Trillion cu ft			
Consumption							
Residential	4.64	4.55	4.49	4.45	4.37	4.28	4.24
Commercial	2.66	2.67	2.66	2.65	2.62	2.58	2.47
Industrial	6.07	6.48	6.53	6.86	7.02	7.10	6.89
Utility	3.36	3.48	3.53	3.58	3.48	3.43	2.92
Other	2.12	2.19	2.19	2.18	2.15	2.11	1.97
Total	18.85	19.37	19.40	19.71	19.63	19.50	18.50
Supply							
Conventional	16.89	17.28	17.17	16.74	16.31	15.90	14.44
Unconventional	0.85	1.00	1.13	1.27	1.41	1.54	1.88
Imports	0.95	0.95	0.95	1.55	1.72	1.86	1.99
Total	18.85	19.37	19.40	19.70	19.64	19.50	18.51

Source: Department of Energy

Since these contracts were signed demand for natural gas has declined. But the provisions of the "take and pay" clauses which back the financing of many pipelines has meant that the pipeline companies are obliged to take the more expensive gas, often at the expense of cheaper "old" gas.

The U.S. Government did not go further in 1978 to decontrol natural gas prices because there was a fear that if controls were removed straight away there would be a sharp increase in prices.

The same fears prevail as the current Administration moves towards decontrolling natural gas prices. But this time there is a surplus of natural gas as opposed to a shortage, and competing oil prices, although still much higher in gas equivalent terms, have been falling. The feeling is that the timing will never be bettor to introdnce the decontrol of natural gas prices.

Thus, President Reagan introduced at the end of February the Natural Gas Consumer Regulatory Reform Amendments of 1983. These aim to correct the deficiencies of the NGPA, to protect consumers from unnecessary price increases arising from distortions in the regulated market for gas during the transition period of eliminating certain restrictions, and provide all buyers with equal access to natural gas supplies.

The main elements of the new proposals are as follows:

- From January 1985 contracts not yet renegotiated can be abrogated by either party giving pipelines a chance to get out of high priced contracts and giving producers a way out of cheap ones.
- During 1985 the new price would not exceed a "cap" set as an average of prices in new contracts or those already renegotiated.
- Prices on new contracts would be deregulated immediately, as would prices for any old contracts that pipelines and producers agree to renegotiate.
- From the beginning of 1986 all natural gas prices would be decontrolled.

The burden of consumer protectioa from exorbitant price increase rests on the pipeline companies which are not allowed to pass on automatically any increased gas costs above the rate of inflation.

The U.S. Energy Department has predicted that the new legislation, far from increasing prices, will lead to a reduction in prices in the short term. It has estimated that wellhead prices in the first year will fall by 10 cents to 30 cents per million cubic feet from today's average of $2.75.

Meanwhile, a recent study by Shell Oil of the impact of gas decontrol predicts that it will boost recovery from old fields by about 50 per cent or 50 trillion cubic feet of gas—the equivalent to two and a half years' supply.

Reaction to the U.S. Administration's proposals has varied considerably. At one extreme Mr John Dingell, chairman of the energy committee of the House of Representatives, has stated that it is a case of "decontrol over my dead body." By contrast the natural gas industry, quite understandably, welcomes the proposals.

The most obvious beneficiaries of natural gas decontrol are the producers of the "old" gas—primarily the major oil companies. They stand to get much higher prices for their gas. Meanwhile, independent oil and exploration companies which have concentrated on developing new gas fields have more to lose, especially if they have high cost reserves.

The natural gas industry has estimated that decontrol could lead to a rise in production from existing wells of around 1.5 trillion cubic feet a year and could stimulate production of another 500bn cubic feet a year from new fields. This extra production would be the equivalent of about 10 per cent of U.S. annual consumption.

The operators of the gas pipelines are likely to be the most affected by the proposed changes. The ability to abrogate contracts, for example, is likely to change fundamentally the principles on which much of the pipeline business is financed.

For the time being the various players in the U.S. gas industry are still digesting the proposals and they are conscious that the eventual legislation is likely to look very different from these initial plans. The economic arguments favouring a decontrol of natural gas prices in the U.S. have been well rehearsed but the political problems and uncertainties over what will happen to gas prices in an era of decontrol are likely to weigh equally heavily in legislators' minds, especially with an election next year. The temptation to maintain some control over prices may be too powerful for some politicians to ignore.

Lawyers join Data Bill protest

By A. H. Hermann, Legal Correspondent

THE LAW Society has joined the growing number of critics of the Data Protection Bill. The society said the Bill would affect many more users of personal computer files than was intended. It would also cause unnecessary work and expense.

The Bill would require the registration of every form of data processing equipment in all businesses, however small.

In a memorandum published yesterday after the Bill's second reading in the House of Commons, the society claimed that registration requirements in the Bill were unreasonable and likely to be unworkable in practice.

Its enforcement provisions "are too strict and are out of proportion with the mischief to be cured." The overall effect of the Bill would be to act "as a disincentive to the use of computers where efficiency would otherwise require it."

The society said it feared the Bill did not contain adequate safeguards to protect confidential relationships between solicitors and their clients, and might compel solicitors to disclose confidential information. It said personal data for the user's own internal purposes, and not for outside disclosure, could safely be excluded from the Bill. The society proposed an amendment which would exclude computerised financial records and information stored for the preparation of final accounts, information stored for the purpose of editing and amending of documents and information used by a person solely for the management of business

Union expected to make Cowley strike official

FINANCIAL TIMES REPORTER

THE Transport and General Workers' Union (TGWU) is now on the point of making the "cleaning-up" strike at British Leyland's Cowley plant official.

Mr Bobby Fryer, the TGWU's senior shop steward at the Austin Rover plant, said he now expected full support from the union.

The latest terms offered for a settlement will be put to the strikers at a mass meeting tomorrow. The changes, however, do not significantly alter the company's position, said Mr David Buckle, the TGWU district secretary.

The leader of the union team, after six hours of talks with Austin Rover management, said: "We remain resolute on the policies adopted at the two mass meetings."

The strike, supported by 5,000 men and women, is over the proposed withdrawal of six minutes' washing time. It has caused 3,500 other Austin Rover workers to be laid off, has stopped all car assembly at Cowley, home of the new Maestro, and has now cost the company more than 8,000 cars worth nearly £50m in the showrooms.

● The recent strike which halted Escort car production at Ford's Halewood complex on Merseyside at a cost of £90m has caused a month-long delay in the company's voluntary redundancy scheme.

A company spokesman said yesterday that because of the stoppage Ford had been unable to complete the preparatory work. Consequently the start line following the statutory 90-day period had been extended from this Friday to May 13.

The appeal for 1,300 voluntary redundancies among the 9,700 production workers has been heavily oversubscribed with 1,700 applications. The redundancy programme is part of Ford's plan for major changes in working practices at Halewood. Production workers have already voted to strike if they are implemented.

● Workers at the Karrier Motors factories in Luton and Dunstable yesterday rejected a union recommendation for a strike to make the company improve its 2½ per cent pay offer. Karrier, which makes Dodge trucks and markets Renault trucks, said it could not afford to increase its offer while it continued to make losses.

Assurance sought on British car plant

Fears on future of Talbot UK

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

Talbot UK reduced its net loss from £91m in 1981 to £54.8m last year. The trend continued in the first quarter of 1983 when a small net profit was made. To cover last year's loss, the parent group, Peugeot of France, made Talbot a £55m non-returnable grant. Since Peugeot acquired Talbot at the end of 1978 it has injected £179.2m in this way. During that time Talbot's net losses have totalled £254.2m.

A BITTER row has blown up between the UK Government and Peugeot, arising on the British side from fears that the French cars group will employ the "sausage technique" on its UK operations – cutting them off bit by bit until all is gone.

Since Peugeot acquired what is now known as Talbot UK (formerly Chrysler UK) late in 1978, its British subsidiary has cut jobs by nearly 73 per cent, from 22,000 to 6,000, and more are soon to go.

Now the British Government is looking in particular for some assurances about the future of the Talbot plant at Ryton, Coventry, where about 2,000 are employed building about 40,000 cars a year.

It feels it has the right to some assurances in view of the £28m loan it has outstanding to Talbot, a legacy of the financial rescue operation for the old Chrysler UK business in 1976. In other circumstances the loan would be due for repayment in easy stages between 1985 and 1990, but it is now to be discussed again.

The news yesterday that Talbot UK will at least trade profitably this year – and actually recorded a small net profit in the first quarter after making losses since 1973 – should only strengthen the determination of the UK Department of Industry to achieve the only satisfactory outcome for Ryton – the introduction of new products which will retain the value added in Britain at at least the present level.

Ryton assembles the Alpine, the Horizon and the Solara. The Alpine is no longer made in France and the other models have only a limited life expectation. As Ryton will depend in future, as it does for the Horizon today, on French kits for assembly, Peugeot will have to put new products in if the plant is to survive.

The bitterness on the Peugeot side stems from the apparent lack of real concern shown by the UK Government and the Department of Industry when the Talbot UK contract to supply car kits from the Stoke, Coventry, plant to Iran met severe problems in 1981-82. The Iranians failed to stump up the necessary finance.

The dispute surfaced publicly during the Easter holidays when Peugeot announced that the remnants of Talbot UK's design and engineering division would be moved to France. This immediately sparked a remarkably outspoken condemnation from Mr Patrick Jenkin, Industry Secretary, who said the move fell short of the Peugeot group's obligations under their 1978 Declaration of Intent to the Government in respect of the UK facilities.

Then came the scarcely-veiled threat. "I understand that PSA (Peugeot) are carrying out studies concerning the Ryton assembly plant and I very much hope that these will lead to the consolidation and development of Talbot's position as a UK vehicle producer, at least at the present level and range of activity.

"I shall be keeping under close review the status of the Government's £28m loan and will take a final decision on this in the light of PSA's conclusions on the future of Ryton."

As far as the UK Government is concerned, the 1978 Declaration of Intent meant that Peugeot would give its British operations equal status to those in France and elsewhere.

Given the Peugeot group's problems since that time – output has dropped from more than 2m units in 1978 to 1.6m

However, the UK has suffered disproportionately to the rest of the Peugeot group, or so it seems to Department of Industry.

Peugeot closed the Linwood car plant in Scotland in 1981 with the loss of 4,800 jobs. The British Government was helpful over that, some critics said too helpful.

When the Government discovered that the decision to switch design work to France was imminent it urged Peugeot to hold fire. It wanted the company to make a decision about Ryton so as to reassure those who were worried that the company might be pulling out of Britain little by little.

Mr George Turnbull, chairman and chief executive of Talbot UK, however, reckons that the Ryton wrangle will have a happy ending, with Peugeot putting in new products and the UK Government withdrawing its threats about the £28m loan and even putting up more cash towards the project.

GM sells its £14m centre to Mercedes

Financial Times Reporter

GENERAL MOTORS has sold its £14m administration and parts centre at Milton Keynes, Buckinghamshire, for an undisclosed sum to Mercedes Benz (UK).

The sale of the 35-acre complex, completed only in 1981, follows the company's announcement earlier this year that it could not see a future for the centre.

Mercedes Benz says it is moving into Milton Keynes because it has outgrown its parts centre at Hayes, Middlesex, through rapid expansion of business in recent years. Mercedes says that in five years it has doubled its UK sales of cars, vans and trucks.

It plans to transfer its entire parts operation to Milton Keynes by next year, giving it double the storage space. It intends to take as many of the 130 workers involved as possible. The company still has to decide whether to move its headquarters to Milton Keynes.

GM will leave Milton Keynes by the end of July. Its headquarters has now effectively been moved into the Vauxhall plant at Luton, Bedfordshire, while its UK parts operation will be centred at the Vauxhall warehouse at Toddington, near Luton. This warehouse will contain parts for both Vauxhall-Opel cars and Bedford vans and trucks.

Lloyd's spells out stricter rules on disclosure of business

The committee of Lloyd's has adopted a report calling for more details of transactions. City Correspondent John Moore looks at the background.

UNDERWRITERS in the Lloyd's of London insurance market will have to make an unprecedented amount of disclosure this year following the publication of recommendations prepared by an internal working party now adopted by the committee of Lloyd's.

The amount of disclosure made, however, is largely to remain confidential to the Lloyd's central authorities and governing bodies.

The 16,000 or so external members of Lloyd's – the wealthy individuals who pledge their capital to allow the market to function in return for a share of the profits – will not be allowed to see material details.

The report on the initial requirements of the disclosure of reinsurance arrangements – the devices used by Lloyd's underwriters to protect themselves against onerous losses – was prepared by Mr Ian Plaistowe, a partner in Arthur Andersen & Co, the accountants, Mr Colin Smith, of Peat Marwick and Mitchell & Co, and Mr Simon Ward, of Slaughter & May.

Four working members of the Lloyd's market made up the working party.

The party, set up largely at the behest of the Bank of England and the Department of Trade, was intended to advise on the changes necessary to stamp out abuses by Lloyd's underwriters in the reinsurance market.

Mr Plaistowe, whose business interests, along with those of the working party's outside representatives, are receiving fees from Lloyd's for their work, said one difficulty in introducing new rules was "the lack of basic information" within Lloyd's.

Under the new rules key information on reinsurance will have to be channelled to Lloyd's authorities for their records for the first time.

In the past that information has generally been passed only to auditors of Lloyd's syndicates, the units in which all members of Lloyd's are grouped, and other accountants carrying out work in the market.

Lloyd's, however, has resisted calls by the working party to disclose material concentration with reinsurers of any of the Lloyd's syndicates' business, or the identity of those reinsurers.

More fundamentally, it has failed to agree on a definition of what should be regard as a "material" concentration.

The working party had envisaged that similar proposals to that used by the Department of Trade for regulating the insurance company market might be adopted.

The Department has recently stipulated that insurance companies who pass across 2 per cent of their business in the form of reinsurance premium to a reinsurer, must identify that reinsurer.

For the moment, Lloyd's has rejected any plans of this nature on the grounds of cost to the market in running such extensive disclosure requirements, and has argued that confidentiality should be preserved.

Mr Plaistowe said the issue of what should be regarded as a material line of reinsurance business and what should be disclosed in this respect – a central proposal in a consultative paper issued to the market in January – had given "a lot of heartache."

He added that the most important priorities at this stage were to deal with the disclosure of reinsurances used for tax avoidance and those reinsurance transactions carried out with groups where the underwriter or underwriting agent had a direct interest.

Underwriters' tax avoidance schemes, in the form of roll-over funds, will have to be notified to the Lloyd's authorities. A roll-over fund can be established with a reinsurance group, usually offshore, to reduce the level of taxable profits of underwriting members in the UK by creating a tax deductible premium cost.

A contractual arrangement is usually established with the reinsurer for the repayment of the premium in the following tax year.

Under this arrangement, in the event of no reinsurance claim, or after the deduction of whatever claims arise, the premiums are paid back to the syndicate in the following year.

The disclosure on roll-over funds, however, is to remain private to the Lloyd's ruling authorities.

Related party transactions – between underwriters and the groups in which they own shares – is to remain confidential to the committee of Lloyd's until the eventual establishment of a two-part register of interests.

Part one will show the shareholding links and will be available to the public, while part two, which will contain how much underwriters and other Lloyd's professionals make out of the arrangements, will remain private to Lloyd's.

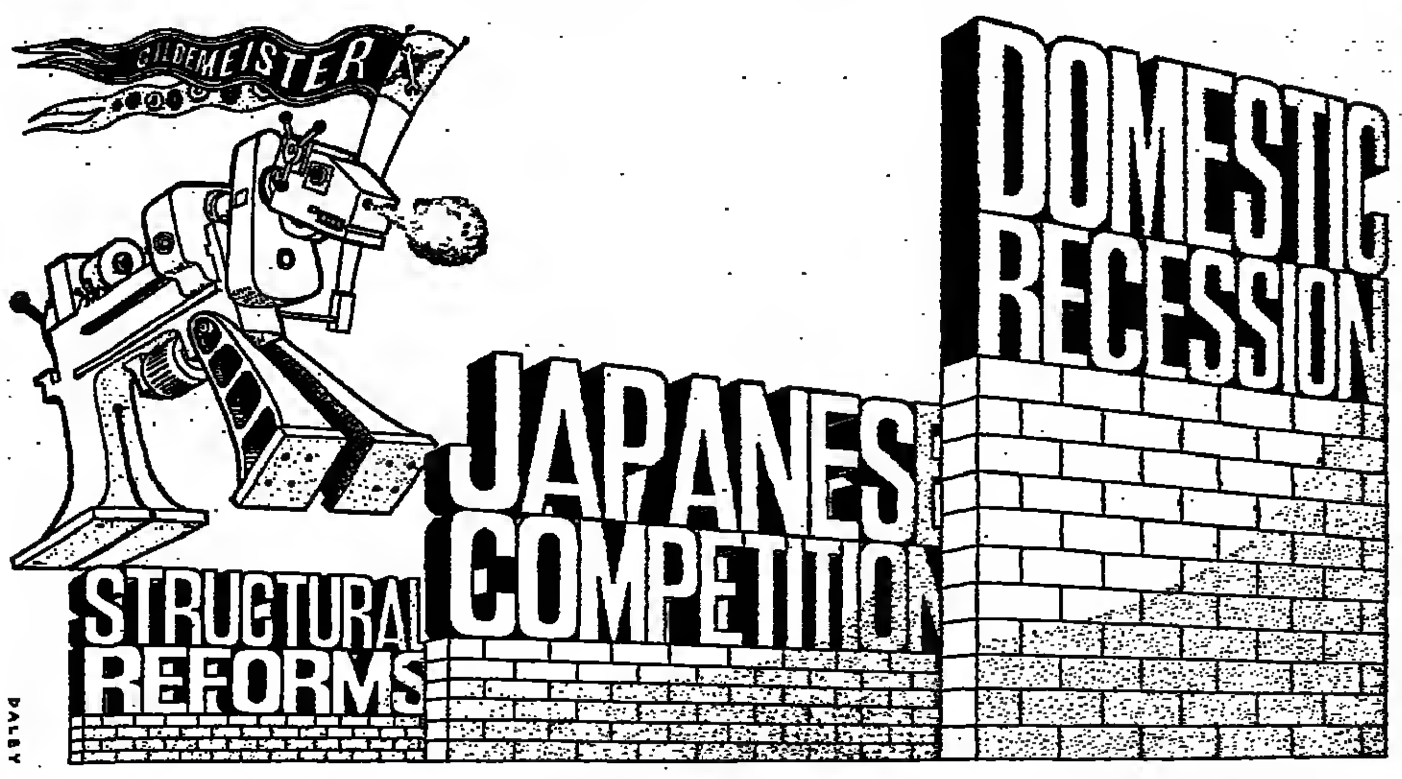
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

West German machine tools

The long struggle to survive

Gildemeister, one of Europe's leading lathe manufacturers, thinks it has grounds for optimism. Stewart Fleming reports



WHEN Gildemeister, one of West Germany's leading machine tool manufacturers, announced last November that it was taking a 24 per cent stake in Pittler Maschinenfabrik observers were left asking themselves whether they were watching a business disaster in the making or the first step in the creation of a presence in the world machine tool market.

The doubts are easy to understand. For almost a decade both companies have been struggling with a combination of recession, changing technologies and mounting Japanese competition, a struggle which has absorbed so much of their resources that Gildemeister has not paid a dividend since 1973 and Pittler since 1975. Gildemeister has just announced that it will report an operating loss for 1982, a year which saw its sales revenues shrink from DM503m (£136m) to DM425m. This means shareholders will have to wait at least one more year for a dividend.

Pittler, which has been Gildemeister's major West German competitor in the multi-spindle lathe market has, like Gildemeister, been on the receiving end of some generous handouts from its bankers without which it too might not have survived. In the past seven years its bankers have written off over DM 100m of loans and interest the company owed.

Over the past two years Pittler has embarked upon a crash re-organisation programme which will reduce its workforce by the end of this year to around 1,000 and its annual sales to around DM 130m. In 1981 the company still boasted a workforce of 1,800 and sales revenues of DM 171m.

Gildemeister and Pittler are by no means alone in their troubles. Only last month the chairman of the German Machine Tool Association, Bernhard Kapp, admitted that the industry as a whole was operating at a loss in this the third year of recession for machine tool manufacturers.

In spite of all these problems Dr Horst Göhren, the chief executive of Gildemeister, remains confident that the company is taking the right steps in its cautious link with Pittler and in exploring opportunities for closer co-operation in the research and development and marketing fields.

While outwardly struggling, internally Gildemeister has been undergoing a major re-organisation of its operations in the past five years, a re-organisation which has rejuvenated its management and its product lines. Moreover the company has an eminence grise, a major shareholder, Dr Klaus Murmann, a man who sees a profitable future for the company and who has been prepared to put risk capital up front to back this judgment.

Murmann, a West German entrepreneur, is the controlling shareholder in the privately-owned manufacturer of hydrostatic gears, Sauer Getrieb, which he founded in the 1960s with the support of Dr Ludwig Poullain of the Westdeutche Landesbank.

In 1980, when Gildemeister was already deep in the financial problems which had required West LB to write off a loan of DM 15m the previous year, Murmann surfaced as Gildemeister's fairy godfather. In a courageous entrepreneurial decision be agreed to take up a rights issue by the company which gave him a 25 per cent stake in Gildemeister and gave the company some DM 16m of new equity capital.

Although in 1975 Gildemeister and Pittler toyed with the idea of co-operating because of their interests in the multi-spindle lathe market—both are primarily lathe manufacturers—there is no doubt that Murmann is the motivating force behind the decisive steps which have now been taken to link the companies, steps which are widely expected to lead to even closer co-operation.

Behind Sauer Getrieb's commitment to the machine tool industry, and the backing the banks are giving the two machine tool companies, is a vision of renewed profitability and the creation of a combination to match the best that Japan and the U.S. has to offer in the world machine tool market.

Murmann explains: "We believe that if the company is going to be a major producer of a broad range of machine tools, as opposed to a specialist manufacturer, then we must have a bigger unit," he argues, pointing out that similar concentration has taken place in Japan.

While some West German machine tool manufacturers were slow to adjust to the application of micro-electronics and computers to their industry, Gildemeister has been in the forefront of developments. In the mid-1970s, for example, it asked Siemens, West Germany's leading electrical engineering concern, to produce a range of computer controls for a new Gildemeister product line. Siemens refused. When other companies also turned down the project Gildemeister simply went out and, with the help of a DM 5m research grant from the Government, developed the controls itself. It now claims to be the European machine tool builder with a leading position as a manufacturer of computer numerical control equipment.

Göhren, a reserved, intellectual man, has a background in electrical rather than mechanical engineering. This has certainly been an important factor in the company's decision to keep abreast of micro-electronics at a time when vast sections of the West German engineering industry underestimated the pace of developments in the new technology. But Gildemeister's prospects would not be anything like as good as they are today were it not for the fact that the company has made major efforts to raise productivity, restructure its management and diversify its product line.

To a considerable extent the company's problems in the late 1970s can be traced back a decade earlier when, partly under the influence of tempting contracts from the Soviet Union, Gildemeister went on a major expansion drive, acquiring several rivals in the machine tool industry including, for example, Max Müller, Dr Göhren's old firm, which had an attractive range of products, and Heidenreich and Harbeck, an acquisition which brought in additional capacity.

The expansion, a policy which was mirrored elsewhere in the machine tool industry, could not have been more badly timed. Not only did the West German motor industry, a major customer for the industry, hit hard times, but Russian business slumped too. Then, in the late 1970s the industry was hit not only by economic recession but also by a staggering surge in Japanese imports—taking, for example, a 30 per cent share of the market for numerically controlled lathes in 1980. Three years earlier Japanese sales had been negligible.

Gildemeister for one found itself facing all these challenges with a bloated work force, a weak management structure and too much capacity.

The result has been a far-reaching shake up, begun in 1977. Throughout much of this period Göhren, who returned to the company from the Quandt group in 1974 and became chief executive in 1979, has been at the helm.

The workforce has been cut from its peak of 4,500 in 1974-75 to 2,500 at the end of last year, with 500 jobs eliminated last year alone. Partly as a result of recommendations from management consultants in 1978 the management structure has been radically changed. A functional system in which top executives were responsible for such operations as production, finance, development and sales has been replaced by a divisional structure according to which the senior executives in control of each division are responsible for their company's overall performance, and in which each division serves a specific market.

Like many West German companies Gildemeister had not paid enough attention to financial controls in the days of the economic miracle, and a major effort was needed to introduce an effective system of financial management.

Alongside the restructuring of management, production processes too have been rationalised and output per man dramatically improved. This accounts for the sharp cut in the company's labour force.

The company is now increasingly buying in specialised sub-components for assembly whereas in the past it used to manufacture a much higher proportion of its output itself. Increasingly too the investment emphasis is on electronics and software.

But while Gildemeister is selling highly sophisticated computer-controlled equipment, it has made only small steps in the direction of automating its own production. It is hard not to believe that this will be allowed to continue, thus further reducing the labour force.

As well as diversifying its product range, Gildemeister has also been expanding into new lines of business in which it can use its machine tool expertise.

An increasingly important branch of its operations, for example, has been the sale of machine tool manufacturing systems. This has increased from around 16 per cent to 26 per cent of sales. Gildemeister is selling its know-how, helping customers in Near East countries and the Soviet Union to set up their own industrial plants.

Last year a new division was formed, Gildemeister Automation, to plug into the fast growing market for factory automation systems. This company achieved sales of DM 30m in its first year of operation. Göhren maintains that in spite of the financial pressures on the company, capital investment has been maintained through most of the reorganisation period.

Last year's decision by the company and by Murmann to take a 24 per cent stake in Pittler, and indirectly so to participate in that company's restructuring, is a demonstration of Gildemeister's confidence in its ability to regain its position as one of the most profitable and efficient of the world's machine tool manufacturers.

It can be interpreted too as a signal to international competitors, above all the Japanese, that there are entrepreneurs and bankers in West Germany who are prepared to take risks to ensure that the West German machine tool industry does not become a casualty of technological change and fierce competition.

"Gildemeister," says Göhren, "has done a lot to build a bulwark against Japanese competition." Now the company must hang on to its domestic markets and expand overseas, for example in the United States, where its penetration is relatively low. It is a daunting challenge but one the company and its shareholders are setting about with the thoroughness which is the hallmark of West German engineering, but also with a flexibility which some of Gildemeister's competitors have lacked.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

A squatter

We have a garage premises, which is subject to a two-year tenancy from April 1982. In July 1982 the tenant "disappeared."

When we called at the premises, we found one of his former employees working away, repairing cars. He asked if he could stay on and we had some negotiations with him which fell through and he did pay a little rent, but we want him to go. Have we to obtain a court order to get him out, i.e. a summons for possession of premises, even though he is not a tenant?

You should obtain a court order to remove the person who is using the premises. He is probably a former licensee who remains in occupation without your licence or consent, and you can use the summary procedure under Order 24 of the County Court Rules (which is normally applied in squatters' cases) to obtain possession.

Carry back loss

I entered into an existing partnership in December 1981. It was later elected to discontinue this partnership and losses were made to April 1982. I understand that I can carry back losses to as far as 1978/79. Is this correct? Can I still carry back the losses on this new venture even though I had other income in 1981/82 which I do not want to use for offset in 1981. In addition losses are anticipated in 1982/1983. Would you confirm that these again can be carried back to 1978/79 being three years prior to the commencement of business, or is it three years before the year in which the loss was incurred?

Yes; you can claim to have your share of the 1981-82 partnership loss set against your income of 1978-79 (by virtue of section 30 of the Finance Act 1978).

Your share of the 1982-83 loss can only be carried back to 1979-80.

The 1981-82 claim must be submitted before the end of 1983-84.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE ARTS

Nouvelle Lune/Paris Opéra

Clement Crisp

A new programme for the Ballet of the Paris Opéra is billed as "contemporary choreography" and poses a nice question of defining what is meant by "contemporary." One of its two novelties, Andrew de Groat's *Nouvelle Lune*, seems genuinely contemporary in its interest in extending dance language; the other, an exercise in Pop hagiology, by Alvin Ailey, offers nothing new save its newness. (The third work in the programme, which I saw on Saturday, is a revival of Tetley's *Voluntaries*.)

Ailey's *Au bord du précipice* is, in effect, as contemporary as the Sixties Pop star, Jim Morrison, to whom it is dedicated. Mr Morrison lies buried in Père Lachaise, and *Au bord du précipice* should be similarly interred, together with its showbiz parade of Pop hero, the woman in his life who is also "his desire, his drug," the impresario, junkies, the Drug Queen and groupies, not forgetting the yearning figures of "his parents." Given this list of characters, the stage action is predictable and so, apart from the brilliant opening solo for Patrick Dupond as the star, is the dance. M Dupond—white-suited when on top of the world; in black leather as success and degradation claim him—deploys his stellar manner and elastic technique, but there is little flesh to the role.

Very much more to the point is *Nouvelle Lune*, whose title and subtitle *C'est à dire . . .* are unaccommodating, but which is otherwise an acutely judged study for Jean Guizerix and his wife Wilfride Piollet. Andrew de Groat is a representative of the post-Cunningham generation of American choreography. He worked early in his career with Robert Wilson; some of his later creations have been concerned with the fashionable minimalist activities of turning and spinning, but these revealed a more than usual appreciation of the possibilities of space, and this new piece is fascinating both in its control of a dance area and in its use of a richer vocabulary.

It is a work clearly responsive to its location—the Opéra stage is opened up to the *foyer de la danse*; to France itself, for the score is eight of the Debussy piano *etudes*; and to the superlative qualities of its cast. Both Mlle Piollet and M Guizerix are *étoiles*, and as readers of these columns will know, I have long thought M Guizerix one of the greatest dancers of our time. The choreography is a direct, attractive response to the score, and it must be gratefully noted that the musical performance is a superb enhancement to the ballet.

The stage is bare. Design (also by Mr de Groat) consists of 17 white polythene bags, looking like inflated dust-bin liners, which seem clouds hanging from the flies. Yet despite the vastness of the dance area, the performers are not dwarfed and the action expands bravely over it, with M Pludermacher discreetly placed stage right, at the break between the stage proper and the *foyer*.

Mlle Piollet turns and pirouettes to the tiny scale patterns of *pour les huit doigts*; M Guizerix is caught in eccentric leaps and pauses, quick changes of momentum and direction, in the succeeding *pour les Degrés chromatiques*—his mercurial, vivid mastery of movement never more amazing than here.

What has seemed an ingenious but cool exploration of two outstanding dancers now changes gear as the polythene clouds descend on the stage with the fifth *étude*. The couple walk busily, bustling and partially hidden through the maze of white shapes, and then are united in a duet at the sixth *étude (pour les sonorités opposées)* whose clarity and musical aptness is very persuasive. Drama is emerging. As the clouds rise again at the seventh *étude*, the dance pauses, and Mlle Piollet then appears with two doves for a brief solo of child-like simplicity, but the last *étude* breaks this mood as M Guizerix tears on stage in a variation whose physical intensity is wonderfully controlled.

The effect has been both pure and complex. There are elements of spontaneity as well as of classic control, of tensions as well as disciplines and freedom, and they imbue the work with an indefinable poetry. I thought it a brilliant and sensitive portrait of two dancers in their proper setting, responsive both to their excellence and to the traditions of their theatre.

Don Pasquale/Covent Garden

David Murray

The Royal Opera had Jean-Pierre Ponnelle to stage Donizetti's *opera buffa* 10 years ago, to celebrate Sir Geraint Evans' quarter-century with the company. Now he can be seen in it for the last time (though he promises us a Beckmesser in the near future), sympathetically funny as ever, his seasoned bass taking the hurdles comfortably. He slips into a conversational tone more easily than any of his younger colleagues on stage. At the end he manages the instant switch from rage at being duped to blissful relief that it's over with splendid conviction.

Staged now by Richard Gregson, this is mostly a tame *Don Pasquale*. There is a little routined business for the chorus, but not much comic invention, though Jonathan Summers' eager, sporty Doctor Malatesta works hard at enlivening the action. He sings very well, and relishes his "Cheti, cheti" number with Evans (set unhelpfully in front of an old, patched curtain). The conductor Guido Ajmone-Marsan, making his first Royal Opera appearance, secured crisp, sprightly playing throughout, though I suspect that Donizetti might have liked even quicker tempi here and there.

The few small roles are efficiently filled; there is a general air of determined *buffo* amusement, undercut by the general absence of amusing ideas. Character, as supplied by Sir Geraint and by his new Norina, Luciana Serra, comes off best. In fact, Miss Serra contributes mightily to the proceedings. Her witty poise in mock-modesty and mock-rampage compensated for the hard edge of her top notes—a failing which was hardly noticeable after the interval, by the way, suggesting that perhaps the voice simply needed adjustment to the house. Otherwise she offered much lovely singing, in a vein not much heard now, with stylish, silvery runs and a seductive middle register.

She was delicious in the deception-duets with poor Pasquale in the penultimate scene, suddenly quite touching as private pangs of remorse struck her. The last duet with young Ernesto—the Mexican tenor Francisco Araiza making his London début—was equally happy. If Araiza is a less subtle actor, he has an attractive line in ingenuous ardour that serves very well, and cuts a presentably romantic figure.

The main point about Mr Araiza, however, is the voice. It is a high tenor, true, clear and confident, perhaps uniquely equipped these days to sing Ernesto, the Nemorino of *L'Elisir*, the comparable Rossini roles and — granted the Italianate ring — Mozart's heroes. He uses it with extraordinarily assured style for a performer still so young. The demand for his operatic services will be overwhelming for these next years (as his list of engagements proves already). It is a great pleasure to meet such a voice, better still that it should go with a sound stage manner and an easy grace.

Geraint Evans

Blood Brothers/Lyric

Michael Coveney

Some West End managements, like some critics, never miss a chance to flex small muscles in tiny ways, as an indefensibly tardy curtain-up on Willy Russell's rock melodrama necessitates a scrambled report of an imposing first night. Nobody suffers in this game of cat and mouse except our readers and their artists, so no doubt the impresario Bob Swash can feel pleased with himself. The London theatre is not usually over-concerned with either party.

Blood Brothers is a product, directed by Chris Bond and Danny Hiller, of the new regime at the Liverpool Playhouse and marks the reunion of Mr Russell and the pop singer Barbara Dickson in the role of a working-class mother forced by social circumstances and an ill-considered oath to yield one of two twin babies to the care of the lady whose house she cleans.

In Liverpool last January, this occasion carried with it all the brouhaha of a tribal ritual. The plot creaks, especially in the second act, and the political points about two contemporary lads divided by the way society treats them is hardly novel. You can trace these tensions from D. H. Lawrence right through to David Mercer and Trevor Griffiths. But the handling of this Liverpudlian *Twelfth Night* is absolutely superb and Mr Russell extends his repertoire of Scouse reportage by supplying a wonderful, brooding score.

The focus of attention is constantly shifting on Andy Greenfield's brick design (which opens out to a burst of green fields and far away as Miss Dickson welcomes a bright new day) mainly thanks to the dual device of narrator and central mother figures. In the first role, Andrew Schofield, a ferret-faced actor in the mould of Bernard Hill, displays great charm and hilarious versatility while *Miss Dickson*, a headscarf and all-weather checked overcoat, comes across as a throatily eloquent survivor in the Gracie Fields tradition.

Both of these artists make direct contact through personal qualities of warmth and uncluttered technique, and each holds attention with minimal effort. The two brothers are played by George Costigan and Andrew C. Wadsworth with sufficient authority to ride through the unlikely coincidences that keep them at either end of the same narrative ball of string.

Susan Kessler/Wigmore Hall

Dominic Gill

The Australian mezzo Susan Kessler has a big, serviceable voice, well kept, well schooled and exceptionally well tuned. It is an instrument of unusually rewarding potential: all the more disappointing therefore, at her recital with Geoffrey Parsons on Monday night, to hear it serve such a narrow musical purpose.

The vocal tone is warm and brightly coloured, but confined to a single, narrow bandwidth of expression. Miss Kessler sings as if all music, and all composers, are essentially interchangeable: exchange Massenet for Schubert, or Chaikovsky for Brahms, and the same song emerges, of the same weight and texture, the same colour and vivaciousness, the same broad muscular charm.

I found this sameness of manner at her recital at first puzzling, then irritating, and finally mesmerising. It is one thing to hear all eight of Brahm's *Zigeunerlieder* sung with identical full-blown, full-blooded fervour; another entirely, proceeding from Brahms to Schburt, to deliver the wonderful "Liebe schwärmt auf allen Wegen" and "Das Lied im Grünen" with precisely the same measure of hearty relish.

Still less credibly, "Die Mutter Erde" (darkling melancholy optimism from the year of *Die schoene Müllerin*) and the perfumed summer night of "Auf dem Wasser zu singen" were joined with a voice, and a manner, as rich and full-bodied as British ruby port, glossed with a powerful welcoming smile. Miss Kessler gave her six Schubert songs, as she had given Brahms's, and indeed just as she was later to give those by Chaikovsky, Massenet and Chabrier, all with the similable intensity and enthusiasm of a party singalong. As vocalising pure and simple it was impressive; as music-making it lacked any sense of original, personal identity.

She came most nearly into her own in a group of Chaikovsky songs, sultry salno blossoms all — from which "Only the lonely heart" stood out especially, burnished with some fine dark chest tones. But not once during the evening did Miss Kessler sing really quietly: for *piano*, not to speak of *pianissimo*, read robust *forte*. The very volume of her Chaikovsky Lullaby-Serenade, at its first challenging note, would have wakened the soundest-sleeping child.

Television/Chris Dunkley

The body politic

A scene from "Death Of An Expert Witness"

The great pleasure in Anglia's seven-part adaptation of the P. D. James story *Death Of An Expert Witness* is that although it is presented as a conventional thriller complete with dead body, revealed (all too literally, nastily, and wholly unnecessarily incidentally) in the opening moments, the real concern appears to be office politics. We have the neurotically ambitious head of the forensic lab passed over for promotion, the country policeman forced to accommodate the big man from the Met, and a whole pit of seething jealousies and hatreds among the lower clerical orders.

How clever, given that millions of us know all about offices and nothing about murder yet would never switch on to a series which promised us merely office intrigue. There is rather more than that to it, of course—nicely paced direction by Herbert Wise, an impressive cast headed by Roy Marsden and Geoffrey Palmer, and big budget location shooting—but it is the agonies of admin which lie at the centre.

★

The feminists of both sexes, whose influence within television is now so disproportionate compared to the incidence of feminism in society at large, have notched up another success. With a desperate lack of fresh thinking Channel 4 has introduced yet another situation comedy about a feeble wimp. It is difficult to imagine the shrillness of the protests if any television company launched a comedy today which pivoted upon the stupidity and ineffectuality of a woman, but the man played by John Alderton in Peter Spence's *Father's Day* is so weak that he is treated with contempt even by his five-year-old daughter.

Episode One was actually called "The Invisible Man" because Dad is so ineffectual that nobody notices him. Channel 4 was supposed to supply something different yet this must be about the 30th wimp sitcom in the past couple of years.

★

Had the late Lt David Tinker been press-ganged into the Royal Navy or obliged to fight as a National Serviceman one might more easily now join in the admiration (nearer adulation actually) of his letters from the Falklands sought by his father. Mr Tinker first published his son's letters in book form and then appeared last week on the opening edition of Yorkshire Television's *First Tuesday* current affairs magazine, weeping a tear or two in front of the cameras.

But given that Lt Tinker was "very keen on Biggles and liked the sea" and decided voluntarily against becoming a teacher or a vicar, opting instead to join "The Professionals," it is a little less easy now to join in the lachrymose chorus which is intent upon turning a no doubt brave man into a martyr supposedly sacrificed to a senseless cause. "I cannot think of a war in British history which has been so pointless" was another of the programme's chosen extracts. Yet even those of us opposed to warfare and the perpetual increase in armaments might argue that if ever a war was morally if not geographically or economically justified it was the Falklands war. It is all very well *First Tuesday* climbing on the Tinker bandwagon but a more courageous programme would have set out to discover why Lt Tinker wanted to join the Navy and what arguments Mr Tinker used to try to dissuade his son from taking up arms professionally in the first place.

★

If the incidence of weeping-to-camera on *First Tuesday* can be sustained throughout its run, the series may prove as successful as *Mon Atice* which set the fashion for this sort of "human interest" journalism on television 20-odd years ago. The difference is that as one documentary series from Yorkshire TV succeeds another, the worrying feeling grows that those involved are not misrepresenting reality in a wickedly calculating way, but have grown so used to manipulating their subjects that they are no longer properly conscious of doing it.

The first tears on last week's programme came from David Young, "the Chinese Geordie" who jumped ship in Hong Kong in 1949 and has lived and worked in Communist China ever since. He broke down in front of the camera upon hearing a cassette recording of "Jerusalem." Of course it could be that YTV surprised him one day as he sat playing a tape posted to him by his friends from Tyneside. Or it may be that Young already had the tape and YTV persuaded him to put it on, shewdly guessing the result when he did so. Or they could have actually taken the cassette with them, got him to play it, and filmed the desired result — not a very nice thought but one which inevitably occurs to those of us who have watched YTV documentaries.

The rigged "unexpected homecoming" in *Johnny Go Home* for instance when the runaway boy was welcomed with cries of surprise by a family who somehow managed to miss the camera crew coming through the front door behind him; and the "chance" reunion of lifelong enemies in *Once in a Lifetime* where the protagonists somehow happened to be wearing radio mikes. Such incidents tell us not what is going on in the world, but what happens when YTV takes a hand.

★

The Falklands war was not the only one featured on television last week. Channel 4 screened an excellent opening episode in the series *Vietnam* (reviewed here yesterday) and in a good but frightening report for *TV Eye* Julion Manyon investigated the Iranian children indocrinated with religion and sent out as targets for Iraqi guns.

Yet the most telling comments about war were the oblique ones in BBC1's "Play For Today" by Raymond Hitchcock, *The Last Term*. The great strength of this relatively quiet work was its sense of period and of time. By bringing together three public schoolboys "guarding" a railway bridge in 1940 as part of their Corps duty, and a shell-shocked surviver of Passchendaele, Hitchock emphasised the appalling closeness to one another of the two world wars. Moreover the elegaic quality of the boys' final summer at school with exams and silly rules about only prefects stepping on certain carpets and lessons in love from the dormitory maid, Marjorie, made the appearance of their names on the school's war memorial in the closing shot both sad and inevitable.

★

Channel 4 shows some excellent programmes. In the past month *Ireland, The Silent Voices* has argued sanely and cogently about television's failures in its coverage of Northern Ireland. *Visions* attempted an ambitious and largely successful analysis of the films of Nicholas Roeg using methods which *Arena* alone might have considered in the past. *Il Nostro John Picking* was a fascinating and heartening account of an English artist's acceptance into village society in the mountains of Sicily. Yet with suicidal silliness the channel insists on mixing into its schedules material which simply is not up to scratch.

A recent example was Sunday's *Summer Awakening*, a filmed drama about three schoolboys camping on the Norfolk coast. Amateurishly directed and short on plot and character, it failed even to begin to fulfil its seeming ambition of exploring adolescence. Most embarrassing of all, the producers had taken the patronising step of demanding a lower standard of acting from the black member of the trio than from the two whites. It scarcely merited an obscure try-out spot with a warning label, but to put it in the middle of the Sunday evening schedule was absurd. No wonder 96 per cent of the audience looks elsewhere.

Toni Basil's *Tape 2* on BBC 2 may not have had quite the zip of her first half-hour show, and using Janet Brown may have been a mistake, yet Basil's song, dance and talk combined with electronic techniques (the black and white ocean breaking onto a coloured stage for example) is so unusual and so successful that we should really be expecting a whole series from her soon. Television's technical capacities are little enough exploited — Kenny Everett's efforts have slackened off and many of the rock video promos are screened in children's programmes — so we can ill afford to waste Basil's great flair.

Just Another Day/Television

Antony Thorncroft

With Sotheby's under siege from a couple of American carpet baggers, and the staff making it clear that their expertise will find pastures new if the troubled company is taken over by General Fett Industries Inc., there could scarcely be a more timely moment for the BBC to send its cameras into the world's biggest fine art auction house.

But *Just Another Day*, transmitted last night on BBC 2, is the gentlest kind of voyeuring. This day in the life of the Bond Street saleroom concentrates on the safest subjects—last summer's major auction of Impressionist pictures, and the front counter, where members of the public bring in their treasures to be disillusioned by experts as to their value.

There is a passing reference near the end of the fact that Sotheby's made a loss last year and that the management is fending off a predatory bid, but in the main the footage is of comfortable cameos: the auctioneer scanning the room, gavel poised, for another bid; the old lady gently let down over the value of a particularly grotesque lamp; the violin expert dismissing instruments as NSV (no saleable value) with hardly a glance.

In a couple of cases the facts were ignored for the sake of a good story. Sotheby's is not just a middle man: it does occasionally buy collections to sell on its own behalf; and those well groomed figures filing into the saleroom for the Impressionist auction were not so much rich collectors as rich dealers. Few private buyers bid on their own behalf at this price level.

The programme is pretty and very British but even within the superficial restrictions of the format might have managed a few more insights—into the negotiations needed to attract a big collection to Sotheby's; into the "phoney" attribntions and the working of the reserve system; into the buyer's premium and the relationship with dealers. No one viewing *Just Another Day* would realise that the unseen directors were around that time grappling with the biggest financial crisis ever to hit this famous national institution.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 8–14

Theatre

NEW YORK

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

Amadeus (Broadhurst): David Dokes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8½ which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

WASHINGTON

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

Geniuses (Arena): A takeoff of the shooting of Apocalypse Now in the Philippine jungle captures, if not the real Hollywood, at least the East Coast assumptions about it, which are funny enough. (488 3300)

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Gardenia (Goodman): John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocent.

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 8565).

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

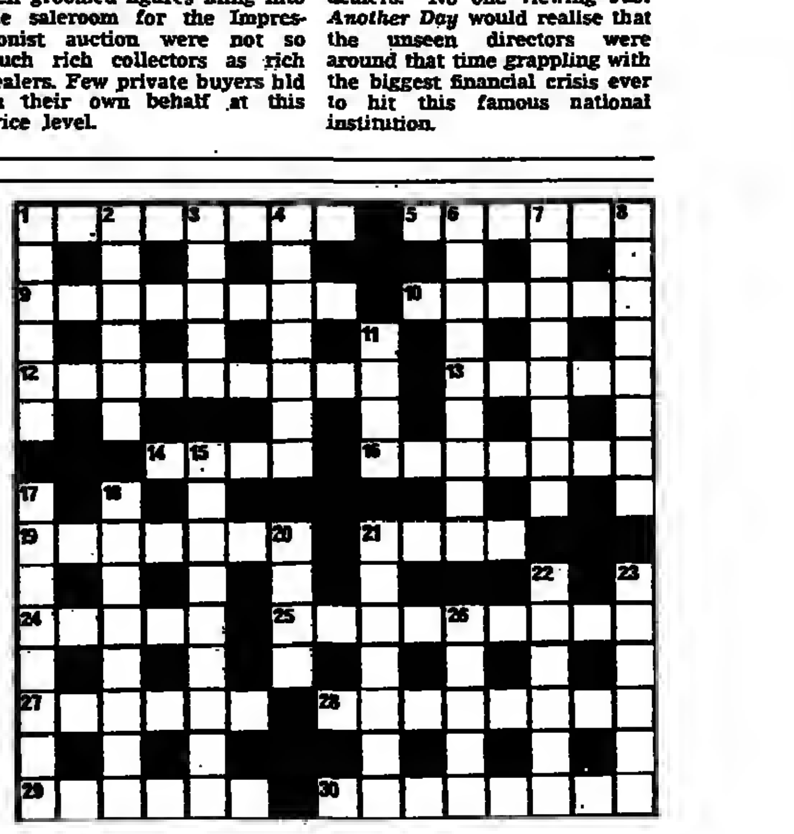
Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

VIENNA

Vienna's English Theatre (421 260): Hughie and Before Breakfast: two one act plays by Eugene O'Neil. (Daily except Sun)

Theater an der Wien (579 632): Anatevka (Daily except Mon).

F.T. CROSSWORD PUZZLE No. 5,145



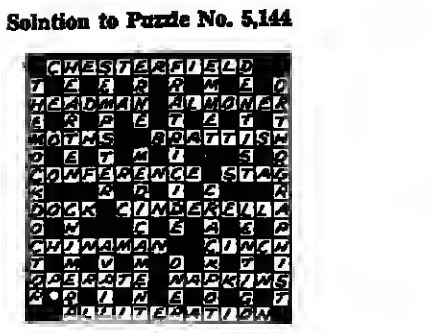
ACROSS

1 A number claim it is changeable, like the weather (8)
5 A bird complaint (6)
9 Girl compelled to take a job (8)
10 One old silly (6)
12 Describing one's descent from Lancaster (9)
13 The sailor has to put back a card (5)
14 Word associated with power—but it's not flush (4)
15 Term that's musical or legal, perhaps (7)
19 Hear only half the score, yet cheer (7)
21 New musical acts (4)
24 Shrewish woman lacks a zodiac sign (5)
25 Temporary growth of young consumers (4, 5)
27 Rival of the U.S.A., sir, in a way (6)
28 Very serious internal trouble? (5, 3)
29 Point has a need to be put differently (6)
30 Correspondents will hope for one, at all events (5-3)

DOWN

1 Battle crest at last (6)
2 Persuade to bring on (6)
3 Book a strong man (5)
4 Paid no attention to negroid developments (7)
6 A sign of free accommodation (4, 2, 3)
7 Legally only of minor importance (5, 3)
8 A time when the populace is at cross purposes? (8)
11 Turn pale—possibly being guilty (4)
15 Artist who has designs on his clients (9)
17 I've only a piece of material around me and trembled with cold (8)
18 Soldiers roar and sing wildly (8)
20 One is entitled to be called it (4)
21 A producer and transporter of coal (7)
22 Horse and trap showing sign of neglect (6)
23 Medical chest? (6)
26 Call of captain for ends? (5)

Solution to Puzzle No. 5,144



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Wednesday April 13 1983

Takeovers and efficiency

BTR'S bid for Thomas Tilling has all the makings of a classic City battle, pitting against each other two British companies which have grown by acquisition but are wholly dissimilar in management style. The affair brings back memories of the lete 1960s end early 1970s when conglomerate takeovers were in full spate. Some of the large mergers which took place at that time produced disappointing results, so that managers became more cantious ebout their ability to handle a host of businesses in widely different industries. The fashion, in the UK and to some extent also in the U.S., moved eway from cooglomerates towards companies which stick to their last.

Yet acquisition-hungry conglomerates are still very much part of the scene in both countries and some of them, like BTR, have shown e remarkable capacity for improving the performance of the businesses they acquire. BTR itself dislikes the conglomerate label, arguing that most of its subsidiaries are linked by product, market or technology. But the bid for Tilling can hardly be justified on the basis of industrial logic or synergy, to use two once-fashionable phrases. It is based on the belief that Tilling's assets will produce much higher profits if managed by BTR.

Ambitions

That is a perfectly respectable ergument. Takeovers, or the threat of them, can be an effective instrument for improving industrial management. A healthy market economy needs marauders who are on the look-out for assets that are poorly utilised — provided that they have the management resources and experience to do better than the existing team. There is always a danger that an acquisitive management will get carried away with its own ambitions and take on too mnch. There is a limit to the effective span of even the most brilliant manager, especially if he is trying to run a highly diversified range of activities. It would be preferable for acquisitions to he offset by an occasional dose of "de-merging"—a process which is too often regarded as a sign of failure and hence deferred as long as possible. BTR has e splendid record, hut excessive size could bring just the weaknesses which it now claims to see in Thomas Tilling.

These matters can safely be left to the market place. The BTR/Tilling merger does not raise issues of competition and there are no grounds for referring it to the Monopolies Commission. Indeed, the Government will have an opportunity, if and when it decides not to make a reference, to state clearly that conglomerate mergers will not be referred to the Commission unless they involve some very special factors affecting the public interest and that those special factors will be spelt out at the time of the reference decision.

Stigma

Takeovers are not, of course, an infallible source of greater efficiency, and there are circumstances in which the threat of a bid can have perverse effects on the intended victim; energies can be devoted, over a period of many mouths, to frustrating the bid, instead of running the business. It is elso true that the marauding takeover specialist generally picks the easier situations; be steers clear of deeply troubled companies which are already in decline hut which could possibly be revived if a new, dynamic management was installed.

The prospect of factory closures and large-scale redundancies deters most potential bidders, partly because of the damage they fear such action might cause in their existing businesses. The stigma that now attaches to so-called asset strippers — much more than, say, 15 years ago—probably deters some economically desirable mergers. For it is in these ailing companies where a change in management is urgently needed — before decline becomes irreversible.

Takeovers can be no more than supplementary to the regular process of monitoring by owners — primarily the institutional investors — who must be prepared to seek management changes when the company's performance requires it. Active owners are at least as important to the system as active bidders. Both groups need to act boldly if the market economy is to flourish.

The televising of Parliament

MR AUSTIN MITCHELL, the Labour MP for Grimsby, will introduce e ten-minute rule bill in the House of Commons today calling for the proceedings of the Parliamentary Select Committees to be allowed to be televised—at the committees' discretion.

As far as demands for the televising of Parliament go, it is a pretty modest proposal. But that in a way is one of its merits. It is one thing to unleash the television cameras on the House of Commons chamber with all the insults and background noise of (say) Prime Minister's Questioo Time. It is quite another to let them record the relatively sedate performances of the select committees.

Senior Treasury officials explaining the basis of monetary policy under qnestioning from a small group of MPs could make compelling viewing, as anyone who bas turned up at the Select Committee to the Treasury in the last few years will acknowledge. The proceedings can he much more revealing than anything that happens on the floor of the House, and much less parti pris. And if an experiment on televising the committees were judged to be successful, it would then be possible to move on to televising the Chamber.

Enhanced

Mr Mitchell's proposal also has respectable antecedents. A few weeks ego the House of Commons Liaison Committee, which is composed of the chairmen of all the select committees, produced a report on the working of the committee system so far. Paragrapb 87 read in part: "We must place on record the conviction of most of us that the work of select committees would not be damaged, and might be considerably enhanced, if it took place with television cameras present. Every move made in recent years towards making select committee work more open to the public. . . has raised fears that it would affect the seriousness of committee proceedings; and in each case the fears have proved to be unfounded."

Such a report cannot be entirely without weight, especially when it is remembered that more than 300 MPs are currently engaged in select committee work. That is almost half the House of Commons, and far more than half the parliamentary backbenchers. True, the liaison committee referred only to a majority in fevour of the cameras and not a total consensus. But there must be many other MPs, outside the select committee system, who are now ready to consider et least e limited television experiment.

Dignity

No one should be put off by the strictly limited success of sound broadcasting. Thet depends on the acoustics and the results are not always gratifying. Yet most of those who observe the proceedings of the House from within would testify that they are mnch more impressive than they sound on the air. Television could restore the impression of dignity and good sense that is sometimes missing from the radio. It would also expose, and therefore perhaps prevent, pomposity.

Under the procedure for e 10-minute rule Bill, there will be a vote on Mr Mitchell's proposal only if it is opposed. One way of defeating it would be for those who are against it simply to keep quiet. That, bowever, would be the coward's way out, suggesting a fear that the forcing of e vote would lead to a victory for Mr Mitchell.

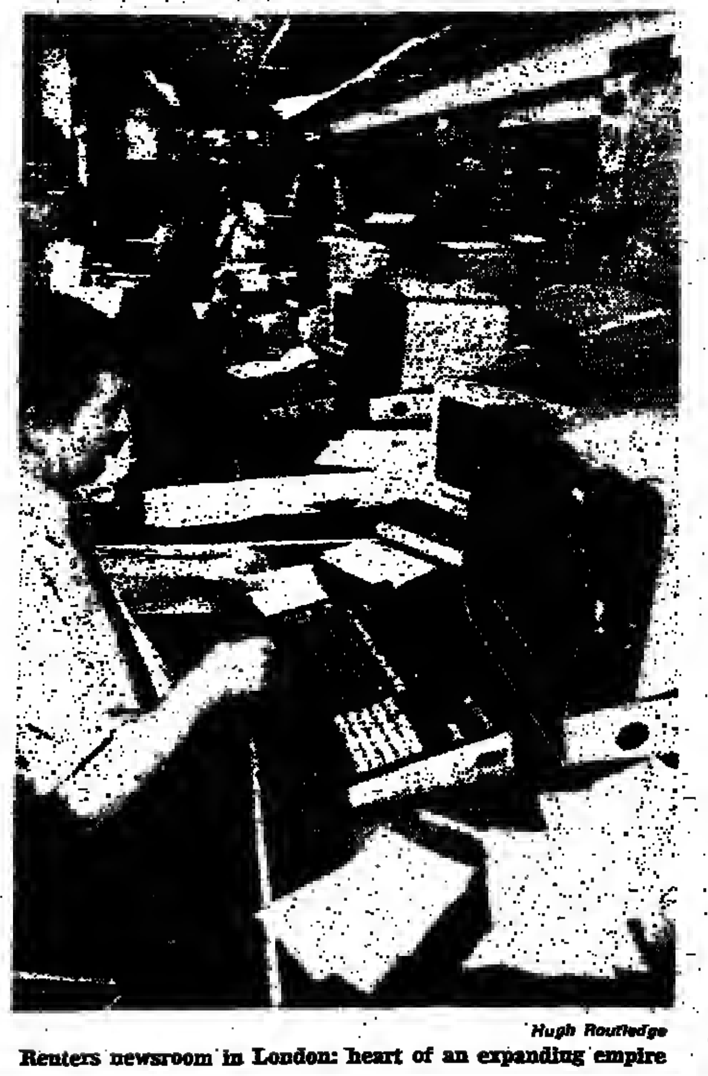
Courage

Those who oppose the televising of Parliament, even in the limited form now being put forward, should have the courage to say so. Those wbo support it should do their utmost to turn up and to be ready to vote in favour. For if the Bill is defeated, or goes by default, that will be almost certainly the last that will be heard of the matter in the present House of Commons. It will come up again in the next Parliament, as it always does. But there is an opportunity of voting for change today.

The data base industry

The rise and rise of the 'information factories'

Raymond Snoddy in London and William Hall in New York report on the growth of a major new international market



Hugh Routledge

Reuters newsroom in London: heart of an expanding empire

THE computerised supply of financial and commercial information has become big business. The emergence of this major new market will be underlined this month by three developments:

First Telerate, a New York company which provides financial information to banks, brokerage firms and investment institutions, is expected to launch its shares on the New York Stock Exchange. Despite the fact that the company is less than five years old, employs 90 staff and had revenues of $41.6m last year, market analysts are already forecasting that it will have a stock market price tag of $800m.

It is installing its screen terminals in the U.S. at the rate of nearly 2,000 a month and the rate is accelerating. Secondly, Reuters, its older and much larger rival in the transatlantic business information battle is expected tomorrow to announce record annual profits of more than £35m. The international news agency, with 32,000 terminals installed also has ambitious plans for expansion.

Thirdly, in the more specialised corner of the business information market, Datastream, which gives its 400 clients the ehility to carry out their own financial and investment analysis, bad some interesting stock price data to add to its data base last week—the listing of its shares from 232p to 242p on the London Stock Exchange after a tender offer was oversubscribed ninefold.

Data bases, where information is held in digital form and npdated by computing techniques, are as diverse as the subjects with which they deal.

There are more than 1,000 data bases in Europe alone covering everything from medical research, patents and legal precedents to macroeconomics and genetic data bases for breeding race horses.

In such a fast developing area it is difficult to identify clear-cut market sections. The clearest distinctions perbaps are in the method of delivering the information.

On-line is where the user is directly connected to the data base, often over a specially dedicated line.

Off-line delivery is used by companies such as A. C. Neilsen and AGB Research for distributing continuous market research. The information often comes in the form of magnetic tape which can be used on a customer's computer.

Printed material is still predominant in the production of telphone directories and airline time tables.

The on-line sector of the market is growing fastest, according to a report by Frost and Sulivan,* the international consultants, on the European market, to be published later this month. It forecasts that total revenue from on-line data base services in Europe will grow from $300m in 1982 to $896m in 1987 with financial services growing from $174.66m to $453.2m.

Market forecasts for the U.S. suggest that one-line data base services revenues could top $4bn by 1985.

● The U.S. is still a long way ahead of Europe in the exploitation of data because of technological advances, a more unified market, cheaper communications and less cultural resistance to paying for information.

Telerate is just one of dozens of U.S. "information utilities" trying to satisfy the explosive demand of the U.S. financial community for up to date information.

Its record—net income has risen from less than $1m in 1978 to $11.1m in 1982—shows how lucrative the business can be if e company can find the right formula and the right audience. But to date Telerate'e financial success seems more the exception than the rule. The competition is very fierce.

The players range from the traditional providers of financial information such as Dow Jones, Dun and Bradstreet and the New York Times, to unlikely competitors such as the Readers Digest which has ecquired an information storage and retrieval service called The Source.

The Readers Digest company is recruiting over 2,000 subscribers a month mainly from the business and financial community, whilst Dow Jones News/Retrieval service is putting on 3,000 subscribers a month.

These traditional information companies have been joined by subsidiaries of major companies such as Lockheed, Mead Corporation and TRW. The latter start with considerable experience in computer technology and high speed data transmission and they are using this to speed up the flow of information.

There are also smaller, more specialised "information boutiques" which include Telerate and its rivals such as Quotron, General Telephone and Electronics and Bunker Ramo Information.

Each company likes to think that its service is unique but as the number of players expands so does the area of overlap. Given the speed et which computer technology is changing and the advances being made in high speed data communications, the market leaders are always in danger of being challenged.

For example, to protect its position. Telerate is developing a micro-computer based terminal, Telerate II, which will be able to analyse and perform calculations with current market information. It also plans to offer computer software which will demonstrate arbitrage possibilities, calculate yields and make market comparisons.

New ways are also being explored to reduce reliance on telephone circuits, one of the main reasons why its terminals break down. Satellites or FM radio signals may be used to improve data transmission flows and reduce costs.

TRW, one of America's biggest space and defence electronic contractors, moved into the information business in 1969 by acquiring a small company providing credit information to banks and retailers. It is now the biggest information operation in the U.S. with files on 86m customers and processes 250,000 credit reports a day.

Tom Goldman, vice-president of TRW's credit information services, describes his Californian-based computer operations as an "information factory," with its nationwide communications network providing the delivery systems.

"Even though the data may be different, the nature of the factory and delivery mechanism is not going to change," says Goldman. His company is moving into property information for the financial community and is working on secret plans to provide more information support for companies such as Sears Roebuck, which are diversifying rapidly into insurance, mortgage, banking and investment advice.

● In Europe, Britain has become the number one supplier and the largest single data base market, largely because of London's importance as a financial centre.

In 1982 the British data base services market was worth an estimated $235m, France and Germany $150m each with Italy lagging at $55m and the rest of Europe sharing another $150m.

Martyn Barnes

In France, according to Frost and Sullivan, even successful distributors are not breaking even. Nevertheless, the French companies, with government support, have been trying to reduce reliance on U.S. suppliers and CISI, the largest computing services company in Europe, took the battle across the Atlantic last month where it acquired an 80 per cent stake in the Philadelphia-based Wharton Econometric forecasting group.

The progress in the German market has been slow—inhibited by high transmission costs and the fragmented nature of the German business community. Government palns for a decumentation of data base infrastructure have had to be scaled down, because of lack of demand.

One of Europe's most notable success stories bas been the opening in 1980 of the Euronet/Diane host network designed to improve European transnational communications and lowering the cost of access to on-line data bases. The Euronet network, set np under the aegis of the EEC Commission, gives access to more than 300 data bases all over Europe.

Among Europe's data base companies, Reuters is at present pre-eminent. Last year it took an estimated 17 per cent of European data base revenues and was followed by A. C. Nielsen, Dun & Bradstreet and AGB Research. Reuters like many of its competitors is also at work both on new products and on speeding up delivery of existing services.

For example, one of Reuter's 47 services is money markets dealing terminals, which allows currency dealers to make contact in under four seconds—much faster than by phone or telex. They can negotiate and fix deals on the screen, complete with a paper record of the transaction. Around 400 customers pay £1,250 a month for the service and there are plans to extend it to the bond markets.

Reuters will also be looking at the possibility of using satellites to broadcast their financial service to Europe—as they do to the U.S.

Reuters is also planning to give itself a memory. At present it does not store on a long-term basis the financial information it puts out each day. But for the past year the agency has been building up an electronic "library" and around £1m is being spent to allow Reuters subscribers to call up information from the past.

A news service—extracts from the news over the past three months—is likely to begin later this year, to be followed later by time series of its financial and commodity statistics.

The "library" will move Reuters closer towards the market served by companies such as Datastream, which provides clients with a historical, financial and economic information service—and the means to interpret it.

"I think Reuters and Telerate are about communications—information from market makers communicated as quickly as possible," says Mr Anthony Helman, executive director of Datastream. "Our business is about computation and analysis and what people can do with a data base—not just shoving raw data et people."

Datastream offers clients the ability to carry out their own calculations—using the company's desk top terminals—on such subjects as stock market performance, portfolio valuation and economic forecasts. Deta is kept on 5,000 economic indicators for the leading Western economies.

The company earned a £1.43m profit on a turnover of £8.3m last year and in 1983 is forecasting not less than £2m on a turnover of £10m.

The success of e narrowly focused specialist service like Datastream highlight the failure of Prestel, British Telecom's public viewdata service to capture the public imagination. Between £40m and £50m has been invested to develop a system which can be seen on less than 23,000 sets. But net growth is running at 750 new customers a month and the public service has set itself the target of breaking even in the 1984-85 financial year.

But even for the successful the future must seem a little uncertain. Large companies may increasingly use their compnting resources to build their own data bases, while the spread of cheap and powerful microcomputers to the desks of businessmen could lead to more personal data bases and greater resistance to the terminal from the data "supermarket."

According to Mr Robin Must, a consultant on electronic publishing, an integrated industry is likely to emerge from the current state of flux some time before the end of the decade.

Although the telephone will remain the most widely used communicating device, Mr Must believes that "information is not a bubble that will burst. It is too important to everybody for that."

* Data Base Services in Europe—available from the end of this month from Frost & Sullivan, 104 Marylebone Lane, W1. Price $1,500.

Men & Matters

Power politics

Sir Walter Marshall, CEGB chairman, has got his own man into the key post of director-general of Barnwood, in Gloucestershire, the board's 1,700-strong engineering team which designs and builds power stations.

Visiting Barnwood today he will explain to the boffins his choice of John Collier, e former close aida at the UK Atomic Energy Authority, as their new boss.

Collier's appointment is an opening move in whet promises to be a major CEGB management shake-up in the coming months. Already Denis Lomer, who was the board member responsible for design and construction, has resigned, partly because of what he sees as a weakening of his authority over his engineers.

Marshall sees Barnwood as a "national centre of engineering excellence" that is sorely in oeed of new direction.

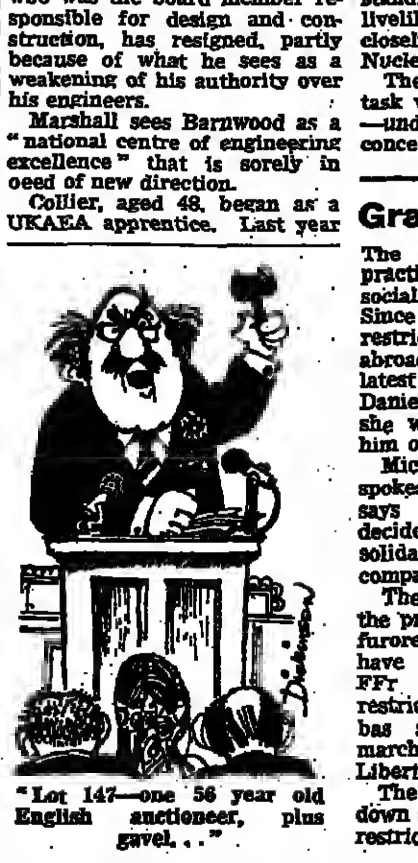
Collier, aged 48, began as a UKAEA apprentice. Last year he became director of the enthority's safety and reliability directorate and responsible for the safety of all the anthority's research and prototype reactors as well as 20 pwrs operated by the Royal Navy.

His career in the nuclear business has been mostly at Harwell but has included spells in Canada on the Candn reactor.

As Barnwood's dg be must play a big part in reshaping the hapless British nnclear reactor industry, particularly in regard to the Sizewell pwr project which is currently the subject of a public inquiry.

That will mean persuading CEGB engineers that they will not jeopardise their professional standing, and perhaps their livelihoods, by associating more closely with the National Nuclear Corporation.

The salary for this onerous task will be less than princely —under £30,000 a year, Collier concedes.



"Lot 147—one 56 year old English auctioneer, plus gavel. . ."

Grand gesture

The First Lady of France practises what her husband, the socialist President, preaches. Since the French have been restricted in their travels abroad under the government's latest austerity measures Mme Danielle Mitterrand has decided she will no longer accompany him on his foreign visits.

Michel Vauselle, official spokesman at the Elysee Palace, says Mme Mitterrand has decided to make this gesture "in solidarity with her French compatriots."

The remarkable gesture by the president's wife reflects the furore the tourist restrictions have caused in France. The FFr 2,000 a year currency restriction for French tourists bas sent the travel agents marching to the slogan, Voyager Liberte (travel freedom).

The government has watered down some of its original travel restrictions to appease the travel industry and a rising chorus of protests from the electorate.

But the spirit and essence of the measures have been preserved and the French will not be able to make more than one major tourist trip abroad this year.

Positive policy

Nobody can accuse Alexander and Alexander of making a drama out of its difficulties.

The U.S. insurance brokers, which acquired less than it bargained for when it bought London-based Alexander Howden, notes in its latest accounts merely that lest year "was a frustrating and disappointing one . . . where certain negatives outweighed e number of positives."

The negatives, presumably, were the missing $55m which the Department of Trade and the City of London Fraud Squad are still investigating.

But life must go on. The accounts sbow pictures of A & A staff accentuating the positive. Larry "discusses potential exposures at Mangelsen's warehouse," Jake is pictured with his mother, Ann, "at her boatyard, Yachts Unlimited," Cla is photographed spending "a quiet moment in the R. B. Jones rooms surrounded by memorabilia," while Jerry and Carol discuss a proposal.

Farm post

Peter Pooley, one of Britain's most expert hands in the field of EEC agriculture, will shortly be hanging his natty, wide-brimmed cap in Brussels again.

After e year in London in charge of the Ministry of Ag'a fisheries department, Pooley next month returns to Brussels to take the post of deputy director-general for agriculture, overseeing the world-wide marketing of EEC farm produce.

Pooley—as predicted in the FT three months ago—succeeds David Williamson who is returning to Whitehall to head the European secretariat in the Cabinet Office.

His appointment fulfils Britain's long-held desire to retain this key Commission agricultural policy post. While no member state has a formal claim to particular Euro-jobs, each likes to establish first refsual rights as firmly as possible.

Court guide

Another gust in the wind of change blowing from Master of the Rolls, Sir John Donaldson, as the new term started at the Law Courts yesterday.

Donaldson is determined to speed up the work of the Appeal Courts over which he presides. And his latest scheme—following his decision to band down written judgments rather than spend bours reading them out—is that counsel should provide the court with "skeleton arguments."

The idea is that much time—and money—would be saved if the court had, from the outset, some indication of the points to be argued, the legal euthorities to which it would be referred, and the relevant passages in the often copious bundles of documents.

Donaldson suggested that the skeleton should also include legal propositions, chronologies of events, lists of dramatis personae and, where necessary, glossaries of terms.

He described the skeleton as "a tool to be used in the interests of greater efficiency" —not least because it would save the judges the trouble of having to make lengthy long-band notes.

But mindful, no doubt, of the English legal world's dislike of some foreign babits of trying cases almost wholly on the documents, Donaldson stressed that his proposal would in no way diminish the importance of oral argument in court.

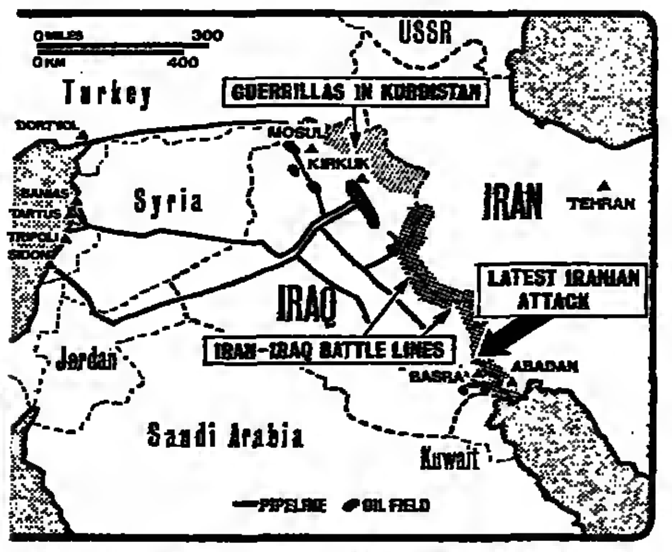
Observer

IRAQ'S ECONOMY

The guns supplant the butter

By Patrick Cockburn

PRESIDENT SADDAM HUSSEIN



THE IRAQI Government must regret much of its propaganda in the first two years of the disastrous war with Iran. Devoted primarily to fostering the personality cult of Iraqi President Saddam Hussein it specialised in a breezy mendacity, even as Iraq's hospitals filled with casualties from the battlefront. In one propaganda cartoon an Iraqi, standing in front of a portrait of the President, says to another: "They say he's got hold of Aladdin's lamp. How else can he manage the war and all this building going on. . ."

Today Iraq has discovered to its cost that its President has no Aladdin's lamp. Grinding battles with Iran have left more than 50,000 Iraqis dead, the same number prisoner and close to 200,000 wounded. Most Iraqis of military age cannot escape going into the army. The burden on a country of 14m people fighting one with a population of 40m is difficult to sustain.

Iraq's Arab neighbours and its western suppliers now debate two crucial questions: Will Iraq suffer complete military defeat in the war? And how does it intend to pay for the development programme which it started in 1974 and vastly stepped up at the beginning of the conflict?

The Government was trying to prove that it could afford both guns and butter. It very clearly cannot. Iraq's oil revenues have dropped from $25bn in 1980 to perhaps $6-7bn this year. Its main oil pipelines to the Gulf were cut at the start of the war, the Syrians closed another pipe across their territory last year and Baghdad must now rely on the one across Turkey. Oil exports have fallen from 3.7m barrels a day to 600,000 b/d. The fall in the world oil price has also made Iraq's allies in the Gulf reluctant to subsidise its war effort to the extent they did at the start of the conflict.

In Saudi Arabia, which will have given Iraq upwards of $20bn by the end of this year, as in Baghdad itself, the Government continually hopes that the war will end. Various international peace missions have paid intermittent but fruitless visits to Tehran.

Representatives from Iraq and Iran met in Kuwait last week to discuss measures to deal with the enormous oil slick caused by damage to an Iranian offshore oil platform. The talks created a flicker of optimism that a general ceasefire could be arranged, but over the last three days the Iranians have launched another limited offensive.

With no end to the war in sight, Iraq has to make drastic cutbacks in its expenditure. These are all the more serious as in 1980 and 1981 the country had become the largest construction market in the Middle East, bigger even than Saudi Arabia. Contractors jammed the hotels as the Government awarded contracts worth at least $35bn. Every effort was made to shield the population from the effects of war. Contracts worth $3.5bn were awarded for a single expressway.

As depression began to bite in the rest of the world, this enthusiasm for prospects in Iraq was understandable if not very wise. National attitudes varied. The major Japanese trading companies such as Marubeni and Mitsubishi were chary of accepting many new contracts on top of existing commitments, while the West Germans and the French were more optimistic. British companies, not very well represented as contractors in the Middle East these days, won few construction contracts though exports soared to £875m last year—making Iraq the UK's largest export market in the area after Saudi Arabia.

Developing countries such as Yugoslavia and Brazil found it much easier to win vast contracts than elsewhere in the region. Iraq's position as potential host for the 1982 non-aligned conference made it the more willing to give small countries big orders. Today many of these regret their initial enthusiasm. Even the Central Bank of Jordan has had to arrange a $65m credit for its exporters caught by the collapse of the Iraqi market.

For others the final losses—unless the war ends very soon, and Iraq can step up its oil exports—will be huge. It is the biggest disaster to hit the international contracting business in the Middle East since the Iranian revolution. The French export credit agency Coface has provided guarantees for contracts worth $5bn.

It was the closure of Iraq's oil pipeline across Syria in the spring of last year, depriving the country of at least $5bn a year in revenue, which brought the financial crunch. At the same time Saudi Arabia, Kuwait, Qatar and the United Arab Emirates, who have given over $25bn since the start of the war, are now reluctant donors. Saudi Arabia is believed to be still paying $1bn a month, part of it in the form of oil, but this is not enough.

Inevitably Iraq is trying to convert almost all its payments on civilian projects from cash to credit. Some of this is on a government to government basis. Given sustained lack of enthusiasm by banks for exposure in financing exports to, or projects in Iraq, some form of government guarantee is necessary for most private sector credit to be arranged. Britain's Export Credits Guarantee Department is likely to make a credit arrangement of some £150m this month, most of it to be used by three UK contractors.

What money Iraq does have will go on weapons and essential commodities such as foodstuffs. There is just enough money for these, given favourable credit arrangements with the West and continuing aid from Saudi Arabia, but the margin remains very fine.

But President Saddam Hussein's financial problems increase his political difficulties. Since the ruling Baath party came to power after a coup in 1968 the country has always been a dictatorship, but up to 1978 it was a relatively successful one. The Kurdish rebellion was defeated in the north of the country, the oil companies nationalised, counter coup bids defeated and a measure of prosperity created. It seemed that Iraq, the only Arab oil state with a large population, would replace Egypt as the leading power in the Arab world.

It is in the last four years that Saddam Hussein, who became President in 1979, has seen everything he touched turn to disaster. Even if the money was available, the development programme was ill-planned and far too unwieldy for Iraq's existing physical and educational infrastructure. For instance, money was poured into agriculture, vast irrigation schemes constructed and dams built, but agricultural production remained obstinately static.

Despite all this investment Iraq's largest export after oil was dates. The former was worth $25bn in 1980, the latter probably less than $80m—figures cannot be precise since Iraq ceased to publish any official statistics after 1977.

As in the other oil states the vast oil revenues were often consumed in non-productive prestige projects. The Government was often criticised for failing to appreciate that the award of a turnkey contract did not necessarily ensure long-term development, or the purchase of a new tank military efficiency.

The over-confidence created by this wealth, combined with some covert encouragement from the U.S. and Saudi Arabia, led Iraq to attack the Iranian oil province of Khuzestan in September 1980. The problem for Saddam Hussein today is that the attack not only failed but he is finding it increasingly difficult to provide Iraqis with the economic benefits which might alleviate war weariness.

This does not mean his regime will inevitably collapse overnight. The Baath party has spent years taking precautions against a military coup and has built a vast apparatus of repression against any form of dissidence. This has failed to prevent much more serious guerrilla activity in Kurdistan over the past year, but the opposition is still fragmented. Within the ruling Baath party the President executed most potential opponents in 1979, while the security services are headed by his half brothers or other loyal supporters.

Despite this it is difficult to find Iraqis, even Government officials, who believe that if the war with Iran continues the present leadership can long survive. With a quick peace, oil exports resumed and the army demobilised it stands a good chance, but no surety, of staying in power, whatever its lack of popularity. This is a limited ambition for a Government which four years ago hoped to make its country the great power of the Arab world.

Social Affairs

Time to re-focus on unemployment figures

By Ian Hargreaves

WE HAVE long been snow-blind to unemployment figures, but a couple of forecasts this week merit the effort of re-focusing.

The better known of the two is the report from the 40 sector committees of the National Economic Development Council, which pointed to zero employment growth in the rest of the 1980s.

The quality of this forecast, however, is not necessarily to be relied upon. It is less of a researched assessment than a broadening of the anecdotal evidence with which anyone who talks frequently to business leaders is familiar. It is hard to find one who expects his own company to employ more people in the next five to 10 years.

A less publicised report, but a better researched one, from a private group* at least made a stab at more careful quantification of the future, by asking 700 general managers, 200 of them in face to face interviews, about the medium to long term effects of recession upon their businesses.

When the interviews were carried out, in spring 1982, these managers, in common with many others, were enjoying one of several false dawns of optimism about economic recovery. Only 4 per cent forecast a decrease in their company's capacity and only 18 per cent expected their 1984 output to be lower than 1978 output. In other words, they saw the economy turning full circle within the six years.

But when it came to employment, 75 per cent said that they could not foresee a return to 1978 levels and half thought their payroll would be some way below the 1978 figure. Of this half, 40 per cent, or a fifth of the total sample, foresaw a drop of over 20 per cent.

Now it could be that these returns too are misleading, not least because general managers are largely unaccustomed to systematic thinking about five-year employment projections. Indeed, the authors of the survey admit patchy returns in this area. Nonetheless, it seems sensible to conclude that both these reports add their different kind of weight to the stacks of econometric forecasts already in hand, which point to the same conclusion: that there has been a long-term, probably a permanent, drop in the size of the British employment base.

If all this sounds assiduously cautious, it is meant to be so, in part because I am stung by Mr Michael Foot's foreword to the recently published Labour Party campaign document, in which he speaks of "the new Conservatives" who "with the craven connivance of the old ones say (mass unemployment) is inevitable." Since reading that I have been struck by the fact that government ministers seem to have taken roughly the same line on Monday in attacking the Neddy report as too pessimistic.

At least the politicians are united on one count.

Mr Foot's frustrations, however, are readily understood. The latest Gallup poll shows that a record 81 per cent of the electorate now believes unemployment to be the most important issue facing Britain. At the same time, the electorate continues to indicate an overwhelming preference for another term of Mrs Thatcher. Who is right; the pessimistic electorate and the report-writers, or the politicians?

Neither Labour nor the Conservatives have an employment strategy which carries conviction

Go back to the basic figures. In September 1978, 22.4m people had jobs in Britain, 7.1m of them in manufacturing, 12.9m in services and 2.4m in agriculture, mining, construction and utilities. Four years later, total employment was 20.4m, comprising 5.6m in manufactures, 12.8m in services and 2m in the rest.

So, of the 2m jobs lost in Britain in four years, 1.5m were in manufacturing. An addition of almost half a million in the size of the labour force did the rest of the damage.

The good news for the rest of this decade is that the labour force will, in 1984-85, stop growing. The services sector, much of which depends for its growth upon a core of either manufacturing, government jobs or wealth-creating tradeable services, should also create extra jobs, assuming we do get economic growth, as appears likely.

In manufacturing, however, there is not a scrap of evidence which points to employment growth, beyond some modest re-manning in the most heavily blitzed sectors, such as the motor industry. The decline in manufacturing employment goes back 20 years and the newer manufacturing industries are not labour intensive. To make matters worse, what growth there is will be in the regions which need it least and vice-versa.

Faced with this, we have a Government which chooses not even to talk about a strategy for creating new jobs, indicating implicitly that its strategy for economic growth makes this unnecessary. Given the likelihood that growth is going to be coupled with static employment or worse, this seems ill-advised.

At the same time, it is a Government which intensely dislikes the public sector but still chooses to spend large sums of money on fake jobs in local authorities and elsewhere through the much re-designed and therefore disorganised channels of the Manpower Services Commission.

As for Mr Foot, he betrays an eagerness to promise on all fronts and therefore communicates a sense of reduced likelihood of delivering on any. Labour loves the public sector. But, when it speaks of industrial regeneration and jobs, it hankers for the past even as it speaks of the future.

Take the railways as an example. Labour wants to spend more money there, but its spokesmen, as the Darlington electorate heard, cannot bring themselves to accept that the Shildon wagon works is of the past.

But the point is that neither these new conservatives, nor the new Conservatives, have an employment strategy which carries conviction.

Perhaps that is why the electorate, having identified the main issue, has decided it will have to make up its mind on the basis of minor ones.

*The Impact of Recession: *Industrial Market Research; Kew Bridge House, Kew Bridge Road, Brentford, Middx, TW8 OED. £150.*

Letters to the Editor

The record of Britain's trade with Japan

From Mr J. Bourlet.

Sir,—How many people think that Britain has a huge, and growing deficit with Japan? Certainly, Lord Cockfield, Minister for Trade recently stated "There is a great disparity in trade with Japan—and something has to be done about it." Labour party spokesmen and even Mrs Thatcher have also publicly stated this claim.

But the figures given in each year's April edition of the Bank of Japan's *Balance of Payments Monthly* show that this impression is terribly mistaken and arises mainly from the very poor detail available in Britain on UK invisible transactions.

As can be seen "invisibles" (tourism, shipping, insurance, royalties, investment income, etc.) always more than outweigh visible trade—and Japan needs to earn a surplus on "visibles" to pay these bills!

Actually, Sir Julian Ridsdale, chairman of the British-Japan Parliamentary group recently acknowledged this with the superb understatement "The (visible) deficit with Japan is eased by invisibles."

The "invisibles" figure does include some investment income which merely "passes through" London to foreign investors who have simply bought Japanese securities via London brokers.

If Britain, and especially British Government spokesmen fail to acknowledge the true position—and correct misinformed public opinion—there is some danger that, out of frustration, the Japanese will seek to reduce "invisibles" purchased from the UK.

Rather ominously the Japanese "White Paper on International Trade 1982" recommended that Japan should "recover the competitive position of its shipping industry" and "expand its service trade."

James Y. Bourlet,
Keio University,
15-45, Mita 2-Chome,
Minato-ku, Tokyo 108, Japan.

($U.S. million)

Year	Visible trade balance	Invisibles balance	Current (total) balance
1966	−58	241	179
1967	−137	243	146
1968	−131	339	208
1969	−28	396	424
1970	−56	493	438
1971	−102	490	388
1972	−416	467	51
1973	−527	759	232
1974	−675	1,471	796
1975	−687	2,000	830
1976	−616	1,498	882
1977	−1,080	1,385	305
1978	−1,095	1,486	391
1979	−1,368	2,004	636
1980	−2,186	2,989	803
1981	−2,398	4,389	1,991

Development effort

From the Managing Director, Perbury Engineering

Sir,—There is more to your report "Leyland launches vehicle computer transmission system" (April 5) concerning the part played over many years by Perbury Engineering and the National Research Development Corporation in the development of the CVT announced by BL. Your report is about the control system and the bulk of the CVT—and the variator and epicyclic gearing—are taken for granted, though in fact they have taken more development effort than the controls.

Perbury Engineering was consultant to British Leyland from November 1974 until December 1981. During these seven years it supplied Leyland with the know-how on which its car and commercial vehicle programmes are based, it provided the major parts of BL design concepts and Perbury patents are embodied in the hardware. Leyland's main contribution as your article says has been the development of an electronic control system. After 30 years' experience of traction drives, Perbury Engineering is still very much in the business of developing and promoting the Perbury CVT. In addition to the Leyland developments, there have been five others, one of which resulted in the successful Lucas-Aerospace alternator drive used for many years in all Harrier jump-jets. The company is now working on three further projects and has more in the pipeline; indeed the Perbury CVT has a very wide range of applications for which it is hoped to see production in due course.

Perbury Engineering has long been backed by the National Research Development Corporation which financed some of the development and which is still the sole licensor of Perbury patents and know-how. After Leyland's years of involvement it is encouraging to see that it may enter the CVT market with its commercial vehicle application of this technology.

Forbes Perry.
P.O. Box 2, Charlbury,
Oxford.

Rates versus sales tax

From Mr J. Hancock

Sir,—The intention of the Prime Minister to pursue the idea of replacing rates with a local sales tax rather disturbs me. Your correspondent, Mr Desmond Goch (April 5) says, in relation to raising revenue, that it matters very little from which of our pockets the money is withdrawn.

To the many on a low income, this is quite fallacious. On my modest pension I am at least able to claim a rate rebate from my local council. If a local sales tax were to be introduced would people like myself, and thousands like me, be issued with tax free, or graduated tax vouchers, on the whole range of items subject to a sales tax?

It is a well established fact that indirect taxes, such as value added taxes, sales taxes etc, bear more heavily on the lower paid. As Mr Goch so rightly implies, the cost of administering a sales tax would be considerable. It is well to remember that some ten years ago, before VAT was introduced, Customs and Excise had to recruit about 7,000 extra taxmen to collect and administer it.

An important point which needs to be explained, in connection with a local sales tax, is would it be additional to, or instead of, value added tax?

Admittedly, the present rating system has many defects, but at least rates are easy and reasonably cheap to collect and, moreover, virtually impossible to avoid.

Once upon a time the Liberal Party had a bold and imaginative scheme for rate reform, based on the rating of land, or site, values, irrespective of the buildings erected thereon and any other developments taking place on a particular site. This appears to be a sensible basis for reforming the present rating system.

John C. Hancock.
12 Creedwell Close,
Milverton,
Taunton, Somerset.

The breakfast TV audience

From Mr P. Hogg

Sir,—It is surprising that neither the financial investors nor the programme planners of TVam appear to appreciate why they cannot expect to match, let alone surpass, the viewing figures of the equivalent BBC programme. It is even more surprising in the light of the evidence of the increase in numbers they obtain on Saturdays and Sundays.

Breakfast TV originated in the U.S. There one has no alternative but to accept the commercial breaks as part of every programme viewed. Thus when faced with programmes of similar content being transmitted simultaneously American viewers choose the channel with the personalities and gimmicks which appeal to them most.

In the UK the viewer has a choice. That is why be it Budget or election being shown simultaneously by both UK channels the majority opt for the BBC with no commercial breaks. It is even more the case with breakfast TV which most viewers see only in part. TVam figures go up on Saturdays and Sundays because the BBC offers no similar programme. Choice has little to do with presentation.

The pity is neither channel is offering the format which could be of far more use and appeal to the ordinary viewer and unique to this country. It exists and TVam may have to find that format if it is to survive.

Patrick A. Hogg.
Bolgove House,
St Andrews, Fife.

Placing the news

From Mr F. Haney

Sir,—I agree with Chris Dunkley's perceptive comments (April 6) on Channel 4 news and suggest that if it is rescheduled 6 o'clock is the most appropriate time. The other main News shows are off the screen at six leaving, at least in me, a craving that is not satisfied by the afternoon newspaper. Channel 4's six to seven package is generally uninspiring as it is.

F. J. Haney.
16 Sloane Square House,
1, Holbein Place, SW1.

FINANCIAL TIMES
Wednesday April 13 1983

Alain Cass, Asia Editor, explains a subtle change of policy

Why Zia is hopeful about Afghanistan

THE PAKISTANI Government is setting up the first camp for Afghan refugees, outside the remote and unruly tribal area which borders Afghanistan.

The camp is to be set up in the Punjab, deep inside Pakistani territory and well away from the camps which have mushroomed throughout the North West Frontier province since the Soviet invasion of Afghanistan in 1979.

The official reason for the move is that the Frontier province, where the spectacular Khyber Pass leads into Afghanistan, is overcrowded – and the presence of more than 2m refugees it is argued, will lead to tensions and clashes with the local population.

It is also pointed out that establishing camps outside a province where the ethnic origin of the local Pakistani population is the same as that of the refugees – both are Pathan tribesmen – discourages the idea of permanence.

There are those, however, who offer a third, more cynical view. They claim that the camp in the Punjab which is Pakistan's most populous province and the power base of its ruling armed forces, will eventually serve as a collecting point for those fundamentalist refugees who would refuse to back a political compromise with the Soviet Union.

"Remove them from the border," said one observer in Islamabad, "and you cut their links with Afghanistan. That way you neutralise them."

It is, for the moment, a minority view and one which takes scant account of the sheer generosity of Pakistan's attitude towards the refugees.

It does however, underline the growing belief that Pakistan is slowly evolving an independent policy towards Afghanistan aimed at securing a swift political settlement which could provoke a head-on clash with the U.S.

They point to the mysterious optimism surrounding the Pakistani decision at the talks taking place under United Nations auspices in Geneva. This optimism sprang suddenly from President Zia ul Haq's first meeting with Mr Yuri Andropov, the Soviet leader, last November and which has not dissipated despite little tangible evidence of movement on Moscow's part.

Pakistan appears genuinely to believe that the indirect talks between its own delegation, led by Foreign Minister Yakub Ali Khan, and his Afghan counterpart, Mr Shah Mohammed Dost, will bear fruit within 18 months or so.

The Pakistanis are also apparently convinced that a real change of heart has taken place in Moscow. The Soviet Union, it is said, is eager for a political settlement and withdrawal of most of its troops.

This optimism was further underlined by Mr Diego Cordovez, the UN Under-Secretary General, who is mediating in the talks, after his recent round of shuttle diplomacy.

Pakistan still officially maintains its four principles for the resolutioo of the Afghan problem: the withdrawal of all Soviet forces, the return of the Afghan refugees, a return to non-alignment and Islam in Kabul, and the right of the Afghans to choose their own government.

Privately, however, there has been a distinct shift in Pakistan's attitude. Its first priority now is the return of the refugees. President Zia, however, realises that this cannot be achieved without a withdrawal of at least a major part of the Soviet forces.

This position underlines the fact that national interest and the need to live in peace with Pakistan's giant communist neighbour to the north has become his overriding concern.

Given appropriate security guarantees, including a recognition of its border with Afghanistan, the so-called Durand Line, Pakistan might also agree to the presence of a small number of Soviet "advisers" in Kabul.

As one senior Pakistani official put it, "The Russians might well, legitimately ask us 'You want us out of Afghanistan, fine. What situation do you want to revert to? The one when the King was there? The one before the invasion when we had a few thousand advisers? Or what?'"

President Zia's regime, for all its Islamic posturing, certainly accepts that any future government in Kabul, headed by Mr Barak Karmal or not, would have close relations with Moscow.

On the Russian and Afghan side there has been a marked increase in recent weeks in the number of public admissions of the cost of the war in men and hardware.

Some observers interpret this new frankness as a signal that Kabul and Moscow are preparing their populations for a long struggle.

It could, however, be seen as a prelude to a compromise. Major changes on Soviet policy have traditionally followed a change in the Kremlin leadership, which has conveniently blamed its predecessor for past mistakes.

How far down this road Pakistan is prepared to go remains to be seen. Pakistani officials stress that "we won't do anything foolish or be led into any traps."

In the first place Moscow's willingness to leave Afghanistan without securing it, irreversibly, is still far from clear.

A concerted attempt is under way to improve Soviet relations with Pakistan and China. But the idea that Moscow would simply abandon Afghanistan, so effectively admitting the failure of the "revolution" there seems, to most observers, inconceivable.

Second, even if Pakistan, Moscow and Kabul were to reach an agreement, there is no guarantee that the fractious Afghan rebels would accept it. Three years of bitter fighting have left deep scars and the Islamic fundamentalists, encouraged by Iran, appear to be gaining in influence.

Finally Pakistan must be careful not to antagonise the U.S., whose $3.2bn arms and economic aid package will, for the next three years, remain a vital prop for President Zia's unpopular regime.

Pakistani officials may say that 40 F-16 fighters will not buy their allegiance. But faced with profound economic problems and an uncertain political future, President Zia's military regime needs all the friends it can get.

THE LEX COLUMN

GKN patches up the damage

The Bank of England has refined its money market tactics to such a pitch that, on a day like yesterday, it is apt to release a multitude of signals, the collective meaning of which is impenetrable. It is still holding up a cut in base rates, by leaving its intervention rates resolutely in place, although its decision yesterday to take out the whole money market shortage suggested some softening in its line.

The authorities may have acknowledged the imminence of a base rate cut, and are merely trying to tone down the market's enthusiasm, at least until today's tap – which was looking rather forlorn last night – is out of the way.

GKN

Yesterday's rights issue from GKN is no bolt from the blue, given the steady deterioration of the balance sheet over the last three years. But the timing of the move, designed to raise £77.2m net, took the market unawares.

Rather than wait for clear signs of recovery in demand, GKN has chosen to ride in behind a share price that has risen from 116p at the beginning of the year to 178p at Monday's close. Other hard-hit engineers will be watching the reception closely. But the initial omens are not particularly favourable. In sharp contrast to the ecstatic acceptance of other rights issues in the last couple of months, GKN's price moved down 16p yesterday.

Admittedly the issue is heavy – at one-for-three compared with the one-for-fives issued in 1975 and 1977. Given the reduced state of the company's share price, anything lighter would barely have been worthwhile. As it is, net debt is reduced from 62 per cent of shareholders' funds to a pro forma 43 per cent. To shareholders who saw the dividend cut by 50 per cent in 1980, the intention of maintaining an 8p payout on the enlarged share capital may not seem overwhelmingly generous.

Indeed, it is only as a result of the cut that GKN can contemplate financing the fresh equity. The record on this front is anyway hardly encouraging. In the past eight years it has paid out a total of £151.5m in net dividends, and raised £183m by way of rights, including yesterday's call.

Stripping out all the reorganisation costs, above and below the line, GKN's return on capital emerges at about 10 per cent. A somewhat backhanded benefit is that the cash infusion will actually enhance this year's earnings per share through interest saving. Pretax profits of £70m against £40.8m are possible.

Yet, even after the recovery in the share price, the group's assets are discounted by the market by about half. GKN remains 50 per cent exposed to the motor industry, and shareholders taking up their rights will be displaying an act of faith that it will be possible to generate a proper return on capital in this area of economic activity.

Northern Engineering

It begins to look as though the string of acquisitions put together since 1978 by Northern Engineering Industries, itself an amalgamated product forged in 1977, may be paying off in classic style, offering the prospect of steady growth based on a balance of businesses which was lacking at the outset of the recession.

Some individual subsidiaries, notably NEI Cranes, have also reacted well to downturns in their principal markets by turning to new product lines.

Both these strengths are evident in the 1982 results, with pre-tax profits up 20 per cent to £39.5m on a 20 per cent higher turnover.

While the underlying position of the group has improved, though, Northern Engineering has picked up at least one North American business, bought in 1980, which is causing concern. Extel, the U.S. telex machine manufacturer, has lost £4.1m against a profit of £3.4m in the face of continuing uncertainty in its deregulated U.S. market.

The current performance of the group, most particularly its control of costs and a £60m cash surplus in 1982, suggest that management should be equal to the task of remedying the hazards of its acquisition strategy.

Even on a conservative estimate Northern Engineering should make £45m pre-tax in 1983 which leaves the shares – up 3½p to 98p yesterday – trading on a prospective p/e of 9.6, fully-taxed. The yield is 7.3 per cent.

UDS

At least one component of the name United Drapery Stores (UDS) is already redundant. The board remains bitterly divided, with the majority voice apparently believing that, if Hanson Trust were to gain control, the company would not be in drapery – or even in stores – for much longer either.

The six-man majority has engaged in verbal calisthenics to justify acceptance of an offer which, however you view it, is worth less to shareholders than the Hanson bid.

Among its more far-fetched utterances is a reported statement of Hanson's that "it had not studied any of the UDS businesses." The board may have a responsibility to its employees as well as to its shareholders, but it has yet to make a convincing argument for accepting the lower price.

CGCT calls on state for FFr 2bn cash

BY PAUL BETTS IN PARIS

CGCT, the former French telecommunications subsidiary of International Telephone and Telegraph (ITT) and financially the weakest of France's three main telecommunications equipment manufacturers, warned yesterday that its survival was at stake unless the Government swiftly approved a FFr 2bn ($275m) refinancing package.

M Pierre Lestrade, the former senior French telecommunications official who was appointed CGCT's chairman when the ITT subsidiary was nationalised last year, also said yesterday that the company would have to reduce by half the 4,000 people currently employed in its public telecommunications operations over the next few years. Overall the CGCT group employs 9,000.

It was M Lestrade's first major public statemeot on the future of his company since he took over last October. He was clearly seeking to put pressure oo the new Industry Minister, M Laurent Fabius, to be more sympathetic to the financial plight of his company than his predecessor, M Jean-Pierre Chevènement.

M Lestrade made no secret yesterday of his bitter disappointment that his group was not included in the list of nationalised French companies to receive state financial backing last February. He claimed yesterday CGCT could be a competitive company if it was now given the oecessary support to put its financial house in order.

M Lestrade said the company had an immediate need to convert some FFr 1bn in refinancing over the next few years. He said short-term debts of just over FFr 1bn accounted for as much as 80 per ceot of the group's overall indebtedness.

Betweeo 1976 and 1982, the company had accumulated losses of FFr 600m. Last year, the losses totalled FFr 280m, M Lestrade said. He forecast, in the worst possible circumstances, a loss of anything up to FFr 150m this year. Sales last year totalled FFr 2bo compared with FFr 2.3bn in 1981.

CGCT's future lay increasingly in private telecommunications business rather than in public systems, he said, but it was nonetheless essential for it to maintain its traditional 16 per ceot share of the French public PTT market.

Since the French Government's decision not to select ITT's System 12 digital-swith system, CGCT has been left without a competitive public all-electronic telephone exchange product, M Lestrade said his group now favoured an association with France's Thomson group to produce Thomson's E-10 public all-electronic exchange system under licence.

In recent months, there has been a major controversy about the future of telecommunications in France and the role of CGCT in the industry. M Lestrade claimed yesterday the Government had opted to maintain three manufacturing groups: CGCT, Thomsoo and CIT-Alcatel, all controlled by the state-owned CGE conglomerate.

CGCT also unveiled Carthage, its new integrated telecommunications and data network commissioned by the French PTT in a major experiment in Rennes. The company pointed to this project as an example of its telecommunications expertise and the strength of its Laboratories.

M Lestrade said since ITT pulled out of French telecommunications, there was considerable qualified manpower available at the laboratories earlier involved in the development of ITT's System 12 switch to collaborate in the current and future generations of public telephone exchange.

But CGCT's long-term future had yet to be charted, he said. It could in the long run either be wholly reconverted to manufacture only private telecommunications systems and equipment, or it could maintain a presence in the public system business at the same time as moving increasingly into private areas. M Lestrade said the company had been encouraged by a FFr 435m cable contract from Kuwait this year and a FFr 60m contract from Argentina.

Although ITT was no longer a shareholder, M Lestrade said, "we are not really divorced from them and our links with them especially in the private business are still good and strong."

German attack on French policy

By James Buchan in Hannover

COUNT Otto Lambsdorff, the West German Economics Minister, yesterday launched a sharp attack on the French Government, accusing Paris of being slow to correct wrong-headed expansive economic policies and of being a bad neighbour in placing the blame for its difficulties on Germany.

In a speech written for delivery at the opening of the Hannover Fair last night, Count Lambsdorff responded angrily to charges from M Pierre Mauroy, the French Prime Minister, that Germany was at fault because of the immense trade imbalance between the two countries.

"The Federal Government finds it hardly very encouraging that Prime Minister Mauroy is seeking to shift the blame for French problems on to the Federal Republic," he said.

In remarks that may surprise some members of Chancellor Helmut Kohl's centre-right Government, who are seeking to limit the damage from the war of words over last month's currency realignment, Count Lambsdorff said, "It is scarcely the way for good neighbours to behave when we hear from Paris that the 'Right' in Germany is not taking unemployment seriously."

"State deficits and inflation do not remove unemployment, they create it," he said. "We said back in 1980 what would happen to the French economy if they consciously set about policies that reduced competitiveness and that has come about," he said.

Count Lambsdorff did give reluctant approval to the austerity programme announced by M Mauroy after the realignment of currencies within the European Monetary System, but condemned the capital controls involved.

He also complained that the realignment which resulted in a larger revaluation of the D-Mark against the other currencies than devaluation of the French franc "would reduce our price competitiveness with other EMS countries."

Intel lifts earnings to $12.5m

By Louis Kehoe in San Francisco

INTEL Corporation, the U.S. semiconductor manufacturer, more than doubled its earnings in the first quarter to $12.51m from $5.41m last time. Cost-cutting measures and higher investment income boosted profits.

Dr Gordon E. Moore, chairman and chief executive, said that demand in the U.S. market was strong. The group was seeing an improvement in orders from a wide range of customers, and this, analysts believe, is a strong indication that a recovery, albeit gradual, is underway.

In 1980, the company's annual income was $96.7m.

Revenues for the first quarter 1983 were $237.5m, compared with $207.1m for the first quarter of 1982. The company said that new orders booked in the quarter exceeded billing, with demand strengthening as the quarter progressed.

"Our revenues were about the same as those of the fourth quarter of 1982 ($239.37m)", commented Dr Moore.

"Net income was up, due in large part to the success of across-the-board cost-cutting measures by Intel employees, as well higher investment income."

Australian unions seek return to index-linked wage deals

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian Council of Trade Unions yesterday bluntly warned the country's employers that it would insist on a return to a centralised system of wage-fixing indexed to inflation.

The council said that continnation of the current wage freeze, introduced by the former Liberal-National Party Government late last year, and temporarily adopted by the new Labor Government of Mr Bob Hawke, would be "intolerable."

Mr Simon Crean, a key ACTU official, delivered the warning at yesterday's session of the week-long national economic summit meeting in Canberra, attended by employers, unions and state and federal governments.

Earlier yesterday, two Labor state premiers, Mr John Cain of Victoria, and Mr Brian Burke of Western Australia, called for a mini-budget within the next six weeks to help boost the economy.

The Federal Treasurer, Mr Paul Keating, said last night that there was a "50–50 chance" the Government would introduce a mini-budget – or at least unveil a major econmic statement – next month.

The future of wage-fixing in Australia is seen as crucial in restoring the country's lost competitiveness, restoring profit level and reassuring international investors.

Wage indexation was formally abandoned by the Arbitration Commission, which sets wage awards, in mid-1981, after which there was a highly damaging spurt in wage claims, which boosted wages in the pace-setting metals sector by more than 20 per cent.

The Confederation of Australian Industry said on Monday it opposed a return to wage indexation. It also opposes a return to centralised wage settlement – unless rises are directly linked to increased productivity. It wants a continuation of the wages freeze at least until the end of this year.

A return to centralised wage fixing is a key element of the Government's prices and incomes pact with the ACTU which also covers non-wage incomes, taxes, prices and industrial relations.

Mr Crean said yesterday that the timing and size of the next national increase could be the subject of further discussion once the unions and employers committed themselves to return to "an effective centralised wage-fixing system."

Mr Cain, the Victorian Premier, called for a mini-budget within the next six weeks to "jolt the economy out of it downward path." He wants a speeding-up of government spending plans, an immediate boost for housing and a further reflation of the economy in the budget proper in August, augmented by tax cuts.

Australia's prospective budget deficit for 1983-84 is already A$9.6bn ($8.34bn), partly as a result of the former government's "give-away" budget last August.

Mr Burke, the Western Australian Premier, called for the restoration of centralised wage-fixing by early next year, "when the maintenance of real wages, through indexation, should become a clearly-defined national goal."

The Government may find its options restricted in terms of reflating the economy. Mr Keating has warned the Canberra summit that the most the country can hope for over the next three years is a halt to the rise in unemployment.

One of Labor's main election promises was to provide 500,000 new jobs over the next three years. To achieve that, Mr Keating said, would require an annual growth in gross domestic product of more than 4 per cent

The background to this week's summit is one of almost unrelieved economic gloom. Australian GDP fell by 1 per cent in 1982, while gross farm product declined by 16 per cent.

The unemployment rate last month (seasonally adjusted) was 10.1 per cent. Inflation is at 11 per cent.

Barclays files U.S. plan to raise $500m

By Margaret Hughes in London

BRITAIN's Barclays Bank plans to raise $500m in the U.S. in the next two years under the rule 415 shelf registration procedure.

This allows Barclays six months in which to float the issue from the date on which it files its audited company results with the Securities and Exchange Commission (SEC).

Prospective managers for the issue are Goldman Sachs, Lehman Brothers-Kuhn Loeb and Saloman Brothers. Barclays said the new funds would be used to develop and expand its business.

Int. capital markets, Page 28

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	15	59	Dubrovnik	C	19	66	Malaga	F	19	66	Salzburg	C	9	48
Algarve	S	20	68	Faro	S	21	70	Malta	S	22	72	Seoul	S	22	72
Algiers	F	17	63	Florence	F	16	61	Manila	S	37	99	Singapore	C	34	93
Amsterdam	C	7	45	Frankfurt	C	7	45	Miami	S	24	75	Stockholm	C	2	36
Athens	S	22	72	Funchal	S	21	70	Milan	F	17	63	Strasbourg	S	5	41
Bahrain	S	27	81	Geneva	C	6	43	Moscow	S	9	48	Sydney	C	20	68
Bangkok	S	35	95	Gibraltar	F	10	50	Munich	F	8	46	Taipei	S	31	88
Barcelona	S	14	57	Guernsey	F	9	48	Nairobi	R	25	77	Tangier	F	19	66
Beirut	F	17	63	Helsinki	F	4	39	Naples	F	18	64	Tehran	–	–	–
Belgrade	C	23	73	H. Kong	C	26	79	New Delhi	R	32	90	Tel Aviv	S	21	70
Berlin	C	6	43	Innsbruck	F	9	48	New York	C	15	59	Tenerife	F	27	81
Biarritz	S	11	52	Inverness	C	7	45	Nice	S	19	66	Tokyo	S	31	88
Blackpool	S	7	45	Istanbul	S	20	68	Oporto	S	15	59	Toronto	S	10	50
Bordeaux	F	10	50	Jersey	R	8	46	Oslo	C	7	45	Tunis	F	21	70
Brussels	F	7	45	Jo'burg	S	23	73	Paris	C	7	45	Valencia	S	19	66
Budapest	S	17	63	Las Palmas	S	24	75	Prague	–	–	–	Venice	S	19	66
B. Aires	S	28	82	Lima	S	29	84	Reykjavik	Sn	1	34	Vienna	F	10	50
Cairo	S	25	77	Lisbon	F	16	61	Rio de J'o	C	29	84	Warsaw	C	13	55
Cape Town	S	23	73	Locarno	F	15	59	Rome	F	16	61	Zurich	F	6	43
Caracas	C	26	79	London	C	7	45								
Casablanca	F	25	77	Los Angeles	R	16	61								
Copenhagen	R	3	37	Luxembourg	F	5	41								
Corfu	S	19	66	Madrid	S	15	59								
Dublin	F	9	48	Majorca	S	15	59								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Habib move on Lebanon

Continued from Page 1

"Israel must do more to back up its claim that it is willing to withdraw (from Lebanon) and willing to respect Lebanese sovereignty," Mr Pym said. It was "unacceptable that Israel should press ahead with its settlement programme."

Mr Pym said the Arab world should also bring to a conclusion the rival peace plan adopted at the Fez summit last year, and further developed during King Hussein's recent negotiations with Mr Yassir Arafat, the PLO chairman.

In Washington the White House again insisted yesterday that there was still "considerable hope and opportunity for progress" with the U.S. plan. The recent statements made by King Hussein and Mr Arafat did not "constitute the end of the road."

Officials said President Reagan had telephoned President Hosni Mubarak of Egypt in Islamabad on Monday night as part of his continuing consultations with Arab leaders aimed at reviving the plan.

Mr Habib was due to hold talks yesterday evening with the Israeli Foreign and Defence Ministers. He will meet Mr Menahem Begin, the Prime Minister, this morning before flying to Beirut to attend the next session of the tripartite negotiations.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday April 13 1983

Paul Taylor in New York looks at a development in the financial services industry

Why Prudential Insurance wants a bank

THE BARRIERS to competition in the U.S. financial services industry are crumbling. When Prudential Insurance, the largest insurer in the U.S., announced at the end of last week that it planned to buy a bank no-one was particularly surprised.

But the move, which is likely to cause further pain for the U.S. banking industry as well as the bank regulators, has thrown the spotlight back on to a process which appears to have gained a momentum all of its own.

Prudential, which has already bulldozed its way into the securities industry through the acquisition in 1981 of the Bache group for $385m, said it planned to buy Capital City Bank of Hapeville, a small Atlanta bank with assets of $25m, through its Prudential Capital and Investment Services subsidiary.

Mr Robert Beck, chairman and chief executive of Prudential Insurance, said the action was not an entree into the banking business "as it has been traditionally understood," but rather "a necessary and appropriate measured response to the changing financial marketplace."

Mr George Ball, chairman and chief executive of PCIS and president and chief executive of Prudential-Bache Securities, went further. "The acquisition of the bank will permit a rounding out of the financial products we can offer," he declared. "For example the Georgia-chartered institution would be able to offer federally insured deposit accounts and upon application could obtain trust powers. It provides us with a cohesive battery of services which will expand our financial planning capabilities."

But Mr Ball, clearly with one eye on the Federal regulators, also made it clear that the move was as much a defensive action as a further aggressive probing of the walls which Congress built 50 years ago to separate banking from other activities.

Mr Ball said the plan to buy a bank was in response to increasing competitive and client pressures. "Investors want an even wider range of financial products and services. This move is in response to those demands. We cannot permit competitors such as Dean Witter, Bank of America and Shearson/American Express to hold on advantage over us."

In naming those competitors Mr Ball was doing more than pin-pointing a trend. This has already led to the acquisition of Dean Witter by Sears, the world's largest retailer, and Charles Schwab, the nation's largest discount broker by Bank America. It also prompted the push into the securities and banking business by American Express through its acquisition of Shearson and most recently the overseas operations of Trade Development Bank Holdings.

The battle for the business of "high net worth" individuals – the wealthy with cash to invest – is permeating the whole of the U.S. financial system. Together with the gradual deregulation of interest rates, it is breaking down barriers to competition within the U.S. financial services industry.

Prudential Insurance's foray into U.S. banking has thrown the spotlight on an industry protected by Congress 50 years ago. As more institutions attempt to survive in the face of increasing competition, the Reagan Administration is considering new legislation to avoid the search for loopholes in the existing law.

This process is characterised by the banks and other non-banks buying into the securities business and by non-banking institutions acquiring banks.

The strategy has taken several distinct forms. While Citicorp has been aggressively expanding its investment banking activities and linking up with discount brokerage houses to provide brokerage services; Chase Manhattan, BankAmerica and Security Pacific have chosen the acquisition route.

Security Pacific, in particular, has adopted what Mr Ball recently described as "a programmed encroachment" approach. The Los Angeles bank first linked with Fidelity Brokerage Services but has subsequently become an aggressive purchaser, completing the acquisition of several private brokerage firms and of Kahn, a leading discount brokerage company in the South.

Late last year BankAmerica, which has until recently been considered not to have kept up with the diversification trend, bought a 25 per cent stake in an insurance services company.

Then, aided by state lawmakers, Citicorp last month announced plans to buy a small controlling interest in a South Dakota bank in a move designed to take advantage of a new South Dakota law which allows state chartered banks to sell insurance. That move represented the latest in a series of attempts by the U.S. banks to circumvent Federal legislation which restricts bank insurance activities.

But even ahead of Prudential's move the non-banks have been hitting back. Earlier this year Dreyfus, the fund management group, won approval to set up a national bank in New York City.

Travellers Corporation has announced plans to offer a cash management service through its network of 20,000 independent insurance agents, and last week Thomson McKinnon, among the nation's 20 largest brokerage firms, revealed plans to enter the banking business through the acquisition of a small savings and loan association.

The changes are creating something of a nightmare for U.S. financial institution regulators.

Recognising the confusion, Mr Donald Regan, the Treasury Secretary, said last week that the Reagan Administration will submit legislation later this year to enable U.S. banks to enter new lines of business without the need to search for loopholes in the existing legislation.

However, Mr Regan said that until the new legislation is passed the regulators will deny all new applications from companies outside the banking industry to establish or buy so called "non-banks" – hybrid institutions which have been set up to exploit existing loopholes in the banking laws.

Prudential said that to comply with the Federal Bank-Holding Company Act, the operation of the Capital City Bank will have to be restructured.

"We plan to convert it into what we call an investor bank. This would be a bank which does not accept demand deposits. We are also contemplating the sale of its commercial loan portfolio," said Mr Ball.

Recognising Mr Regan's comment, he added "we are cognisant of the recent statements. However, this step is necessary for competitive reasons.

"Our only other choice is to see important segments of our business going to others. Also, by eschewing demand deposits, we believe we are acting in a fashion which meets the essence of what the Treasury Secretary hopes to accomplish."

General Electric up 13% in quarter

By Our New York Staff

GENERAL Electric, the diversified U.S. manufacturing group, yesterday reported a 13 per cent increase in first quarter earnings. The company said some of its businesses are benefiting from continuing signs of a patchy recovery but it warned that a more broadly-based sustained recovery will depend on lower interest rates.

GE reported earnings of $425m or $1.87 a share in the first quarter, compared with $377m or $1.66 a share in the same period last year. Sales increased only 1 per cent from $6.02bn to $6.10bn.

Mr John Welch, GE chairman, said: "Signs of an economic recovery seen in 1982's final quarter continued to show slow improvement in the first quarter of 1983." But, he said, "In the case of GE's earnings, the increase was mainly the result of good operating cost performance." As a result of actions to reduce fixed costs, the operating margin in the latest period was 8.9 per cent, compared with 8.1 per cent last year.

"General Electric Credit Corporation, nuclear services, aerospace and aircraft engine operations continued last year's strong earnings performance," Mr Welch said.

"The impact of the recovery was seen in major appliances and plastics which benefited particularly from the upturn in housing and consumer durables.

"Industrial components and equipment businesses continue to be affected by the low level of capital spending. Earnings from industrial electronics were also down as machine tool and other key markets remained depressed. The sharp decline in transportation earnings also reflected weak equipment markets."

Mellon National starts year well

By Our New York Staff

MELLON National Corp, the fifteenth largest U.S. bank holding company, yesterday became the second major U.S. bank to report improved first quarter earnings bolstered by higher net interest income and a substantial increase in fee income.

The Pittsburgh-based banking group, which also yesterday announced an agreement to acquire CCB Bankcorporation, said net income in the first quarter increased by 29 per cent to $38.6m or $1.96 a share from $29.9m or $1.52 a share in the same period last year.

Like First Chicago, which announced a 32 per cent increase in earnings to $43.7m on Friday, Mellon has chosen to adopt new Securities and Exchange Commission accounting rules for bank earnings. Under the new rule, which is due to come into full effect by the end of this year, banks are required to report earnings or losses from securities trading as part of their net income statement. Previously banks have had the option of focusing attention either on earnings before securities transactions or net earnings.

In Mellon's case gains from securities transactions added $1.9m to net income.

The growth in interest-earning assets was largely the result of increases in loans and leases, which exceeded $11.5bn at the end of March.

Bouygues optimistic over foreign sales

BY DAVID HOUSEGO IN PARIS

BOUYGUES, the fast growing French construction group, expects to boost sales by a further 25 per cent this year in spite of the building recession in France and the slowdown in construction activities in the oil producing states.

This was announced yesterday by M Francis Bouygues, chairman, when commenting on the company's results for 1982. Net consolidated profits rose by 38 per cent to FFr 290.1m ($40m) a 31 per cent increase in sales to FFr 13.8bn. The group has almost doubled its sales since 1980, mainly through substantial contracts won in Saudi Arabia, Algeria and Nigeria.

M Bouygues, who was named Manager of the Year in 1982 by the French magazine Nouvelle Economiste, said that international sales rose by 75 per cent in 1982 to FFr 4.7bn and account for 34 per cent of the total. He confirmed that three senior members of the company have resigned during the past two years in disagreement over the group's rapid overseas expansion.

M Bouygues at one time believed that the group should limit its overseas activities to 30 per cent of sales but said yesterday that the group's results justified its international thrust.

Overseas earnings are expected to rise by a further 60 per cent this year, and account for 43 per cent of FFr 17.5bn turnover. Last year contracts abroad generated nearly two thirds of group profits.

M Bouygues said that in the first half the company expected to conclude contracts for FFr 8bn of the FFr 11bn of new overseas orders provisionally estimated for the year.

Major new contracts are under negotiation in Algeria and Nigeria.

● Bouygues disclosed yesterday that Iraq had ceased making payments due under existing contracts with the company since early January.

M Bouygues said that the company was now owed FFr 230m and that other French companies were in a similar situation as a result of Iraq's financial difficulties.

Océ plans one-for-six rights

By Walter Ellis in Amsterdam

OCÉ-VAN der Grinten, the Dutch reprographics group, is to raise funds next month through a one-for-six rights issue.

Earnings for this year's first quarter were up 12 per cent over the first three months of 1982 and a 4 per cent downturn in sales is fully accounted for by the costs of closing a small subsidiary, Ozalid Business Forms, in the UK. The underlying trend of sales was in fact up 4–5 per cent.

Océ needs cash to pay for its ever-increasing investment in the rented copier market. In 1981, Fl 140m ($51.4m) was put into office copier rentals. Last year the figure had risen to Fl 150m, and about Fl 160m may well be required this year.

The group made net profits of Fl 43.3m last year and expects to increase earnings this year. In 1981, however, it made a loss of Fl 7.9m – largely through reorganisation of Ozalid UK.

Strong advance for Lauritzen earnings

BY HILARY BARNES IN COPENHAGEN

THE J. Lauritzen shipping company increased pre-tax earnings from DKr 292m to DKr 350m ($40.75m). Operating profits, before depreciation, increased from DKr 466m to DKr 782m, the best in the company's history.

An increase in depreciation costs by DKr 70m to DKr 149m and in net financial costs by DKr 187m to DKr 282m cut into the pre-tax result. Net profits increased from DKr 185m to DKr 291m.

Lauritzen owns 19 ships and six drilling rigs and operates a total fleet of about 60 units, including 33 refrigerated vessels. It recently took over a P & O reefer fleet which used to be operated jointly with Lauritzen as Lauritzen Peninsula Reefers.

The company attributed the substantial increase in operating earnings to its drilling rigs and the strong dollar.

The 1983 operating results are not expected to be at the same level as last year, but will be in reasonable relation to the scope of the company's activities and the capital invested, said Mr Finn Ollendorff, the managing director.

Shareholders' equity at the end of last year stood at DKr 1.13bn, a fall of DKr 111m over the year. This was a result of unrealised exchange rate losses on long-term loans, which are mainly in dollars, the company said.

The strong result in Lauritzen shipping contrasts with the difficulties faced by the Lauritzen group with several of its subsidiaries.

Whirlpool sees sharp rise in profits

By Our Financial Staff

WHIRLPOOL Corporation, a leading producer of home laundry, home refrigeration and air conditioning equipment, reported a sharp rise in first-quarter earnings. Profits rose from $28.17m, or 78 cents a share, to $40.52m or $1.11 a share, on sales up from $550.1m to $630m.

The rise in first-quarter earnings, according to the directors, was the result of an increase in first-quarter shipments compared with those a year ago.

Shipments of dishwashers and ranges were particularly good but unit shipments of room air conditioners were weak because of the carryover of high stocks.

Whirlpool's Heil-Quaker offshoot and Canadian and Brazilian affiliates turned in improved operating results.

Utd. Telecom edges ahead

By Our Financial Staff

UNITED Telecommunications, the second largest U.S. independent telephone company, edged ahead in the first quarter from last year's $50.94m to $54.06m. Revenues rose from $591.8m to $629.6m.

At the per share level, however, profits were unchanged at 64 cents.

The latest figures bring profits for the 12 months to end-March to $204.7m, or $2.49 a share, compared with $196.9m, or $2.50 a share, a year earlier.

Setback in broadcasting hits CBS

By Richard Lambert in New York

A SHARP setback in broadcasting profits offset a big rise in first quarter earnings from records at CBS to leave net income from continuing operations down 12 per cent at $17.8m. In per share terms, the decline was rather steeper, with net income down 17 per cent at 60 cents a share.

CBS said that the fall in broadcasting profits was due mainly to higher television network costs, especially those associated with sports. On the record business, however, operating profits jumped from $19.6m to $39.4m, thanks to the strength of domestic sales, lower operating costs and good profit growth at the Columbia House division. The results were also favourably affected by the sale of certain music publishing and print rights.

Mr Thomas Wyman, president of CBS, said that the record-division's results reflected an "exceptional competitive performance and the benefits of last year's restructuring of this business."

Intl. Paper up 16%

BY OUR FINANCIAL STAFF

A $63.5m pre-tax gain helped International Paper, the world's largest papermakers, to report a 16 per cent rise in first quarter net earnings to $69.5m or $1.27 a share.

The gain came from the sale of timber in northern California. Last year's first quarter also included a pre-tax gain – $26.7m from the sale of tax benefits – which took earnings to $60m or $1.08 a share.

Sales for the latest quarter rose from $1bn to $1.1bn. Dr Edwin A. Gee, chairman and chief executive, said earnings from manufacturing operations continued at the depressed levels experienced in the last quarter of 1982, because of heavy price discounting.

"Although price discounting occurred in the first quarter on many of the products we sell, shipments and prices for some products are beginning to rise," said Dr Gee.

Strikes in the first quarter at two mills also hit earnings.

Heavy loss for Kaiser in quarter

By Richard Lambert in New York

KAISER Aluminum reported a further heavy loss for the first quarter of 1983, but said that it was looking for a "considerable improvement" in the current quarter and beyond.

The net loss amount to $28.8m, compared with $24.9m a year earlier. The losses would have been greater but for a $31.8m tax credit, and non-recurring gains totalling $44.7m from the renegotiation of a natural gas supply contract and a rebate of certain energy charges.

The aluminium division had a pre-tax operating loss in the quarter of $108m, compared with a loss of $114m in the final quarter of 1982.

New light on Swiss banks

By John Wicks in Zurich

SWITZERLAND's banks are not as profitable as they seem, according to the Swiss Banking Commission's annual report.

A study of 28 leading banks for the three-year period 1979-81 shows that reported net profits were stable or marginally ahead.

The commission says that, in fact, there was a deterioration in profitability. Numerous banks were forced to reduce transfers to their unpublished reserves or to call on them in order to show unchanged or improved results.

This is attributed largely to a sharp fluctuation in the interest rates and, in some cases, to the failure of clients.

Commission director Bernhard Mueller said yesterday that 1982 results were likely to be "considerably more favourable." He added, however, that the extent of provisions against increased sovereign and corporate risks was not yet known.

Dr Hermann Bodenmann, president of the commission, stressed that in an international comparison Swiss banks were in a good position with regard to sovereign risks, while the national bank was prepared to help solve any liquidity problems.

INTL. COMPANIES & FINANCE

The Baer family banking house widens ownership

BY JOHN WICKS IN ZURICH

Dr Nicholas J. Baer (left), board chairman of the bank, and Mr Hans J. Baer, chairman of the holding company and the bank's management committee

LAST MONTH'S acquisition of a 7.4 per cent stake in Baer Holding by Union Bank of Switzerland, one of the Big Three Swiss banks, marks a further step in the opening-up of the Zurich-based Julius Baer banking concern. While voting-rights control remains firmly in the hands of the Baer family, outsiders now hold 49 per cent of the holding company's capital. This proportion seems certain to rise above the 50 per cent mark in the wake of a convertibles issue to come.

The bank, set up in 1890 as Hirschhorn & Grob, later changing its name to Julius Baer and Co. Banquiers, prospered so well that by the early 1970s it had become what was generally regarded as the biggest private bank in the country. This led to potential problems. On the one side, it was felt that outside capital might be needed in the case of a further rise in total assets — which by 1975 had grown to SwFr 521m — and on the other side, the three branches of the Baer family involved had become so numerous in their total of individuals' membership that it would have been impractical to name everyone e partner. The number of minors within the families compounded the problem.

As of January 1 1975 the bank, therefore, changed its legal form from that of a partnership to that of a limited company, Bank Julius Baer & Co. AG, with an initial capital of SwFr 50m. Initially, this made no difference to the ownership, the bearer shares being divided equally between the three Baer families, as qualified by a 2 per cent share packet being lodged with an allied holding company. It was decided that for an interim period of five years, this set-up would remain unchanged. For the time being, though, the bank had been made into an independent legal entity "over and above the quirks of the partners," as Dr Nicholas Baer, the chairman, put it bluntly on announcing the move.

After the five years elapsed, the family took the next step. The newly-constituted Baer Holding — hitherto the name for a company controlled by the bank but having some outside shareholders, and one which owned foreign subsidiaries and a Swiss fund-management operation—became the group parent. A capital increase took place, with no drawing rights for the Baers, and the family gave up 25 per cent of its own bearer shares. New shareholders were more than a thousand "friends and clients" of the bank. In July, 1981, Baer Holding shares were listed for the first time on the Zurich Bourse.

By the time the latest development was disclosed, a considerable minority of the parent company's stock was thus held outside the family, although the Baers continued to hold over 85 per cent of voting rights. The family also retained — and still retains — key positions at board and management level. Mr Hans J. Baer is chairman of the holding company board and the bank's management committee, his cousin Dr Nicholas J. Baer is board chairman of the bank and on the board committee of Baer Holding, while Mr Peter J. Baer is on the board of both companies, and a further cousin, Mr Rudolf E. Baer, manages the holding company.

Not all grandchildren of Julius Baer, the founder, however, have a similar commitment to the bank. The UBS transaction was the result of two members of the ruling generation selling a substantial packet of stock. The amount of this was, according to Mr Hans Baer, considerably larger than the 7.4 per cent stake bought up by UBS.

Immediately after the deal, the price for which is not known, the family was left holding 51 per cent of the share capital and 71.9 per cent of voting rights. However, this stake will soon fall further. This month, Baer Holding is issuing a nominal SwFr 30m of 4 per cent convertible bonds. These are exchangeable as from July 1 at a rate of a SwFr 6,000 bond unit for a SwFr 500 face value Baer Holding share. As family members intend to "hold back," the shareholdings of the Baers will decline to something like 47.1 per cent, and their voting rights to 69.5 per cent. UBS is also understood to be holding back.

This does not mean the family is about to hand over the reins. "The control of Baer Holding by the Baer families remains assured," it was stated categorically in Zurich last month. This, indeed, seems guaranteed both by the comfortable voting-rights majority and the position of the cousins within the holding company and the bank. UBS is not even seeking a representative on the Baer Holding board for the time being.

Furthermore, Mr Hans Baer stresses the continuing commitment of family members now active in the bank. Although first one Baer and now two more have sold up, these were not among the bankers in the family. Nevertheless, he adds realistically, "we shan't live for ever." There are, admittedly, still 22 family members with signatory rights within the organisation, excluding such others as minors. But the younger generation is not apparently queueing up to serve in the family business. In the course of time, the links seem likely to loosen further.

It remains to be seen who might control the bank in the doubtless distant era when the Baers have bowed out. It is conceivable that it might become a UBS affiliate, though the big bank's stake is still only a relatively small one, and there appear to be no other non-family shareholders of appreciable size. There seems no reason why the circle of shareholders should not continue expanding, e development indicated by the "hold-back" agreement in connection with the convertibles issues.

Gradual withdrawal of the founding family from a private bank is a natural enough development, and has led to a marked decline in this sector of the Swiss financial community. The number of private banks in Switzerland was 38 in 1971 and only 24 by 1981, with no more than five left in Zurich. The number could well fall further, not only for family reasons but also in the light of probable new legislation putting private bankers at a disadvantage.

At the same time, some of them have felt the need to grow outside the confines of classical private banking. Julius Baer, although its most important business is still in the traditional portfolio-management sector, is today very much the universal bank. Of the parent bank's 1982 net earnings, 38.4 per cent came from commission income, 27.8 per cent from foreign-currency and precious-metal trading, 16 per cent from earnings on securities and 14 per cent from net interest.

Apart from the headquarters operation in Zurich, with a branch in London and five representative offices in other financial centres, the bank owns the London-based Julius Baer International (active in capital-market and corporate finance business), banking and securities subsidiaries in New York, an offshore subsidiary in Grand Cayman and the Julius Baer Fondsleitung, which manages six investment funds from Zurich. Other stakes include 100 per cent of Infidar, the portfolio-management company, and 50 per cent of Trefisco, the auditing and financial services company, both of Zurich, and a 25 per cent shareholding in the Madrid finance company Eurohispana.

In all, the Baer group has continued to flourish. The bank's profits reached a record SwFr 16.5m in 1982, and the holding company looks like booking peak earnings in the business year ending March 31, its assets having passed the SwFr 2bn mark at the end of December. Outside shareholders are to benefit directly from this, Mr Hans Baer indicates, hinting strongly at a higher dividend in respect of 1982-83.

GROWTH OF BANK JULIUS BAER

	1982	1981	1980	1979	1978
			(in SwFr m)		
Total assets	1,573.9	1,046.2	861.9	745.9	712.8
Capital resources	123.4	105.7	83.8	68.4	64.0
Deposits	806.6	566.2	482.7	400.2	442.0
Advances	632.1	424.6	419.9	294.6	263.2
Net profits	16.5	15.1	12.6	10.4	9.9

INTERNATIONAL COMPANIES and FINANCE

Carrian in equity for debt offer

BY ANDREW FISHER IN HONG KONG

CARRIAN, Hong Kong's troubled property group has temporarily shelved debt rescheduling plans and asked creditor banks to convert sufficient debt into equity to restore the groups positive net worth. The ailing group is also still hoping to sell ships, property in Singapore, and stakes in major local companies, in order to try and reduce its massive borrowings.

Total debts of the group stand at about U.S.$1bn. Withdrawal from one of several property ventures in which Carrian is involved in the Colony is also being considered, as is the sale of its large taxi fleet.

Carrian's principal quoted subsidiary, Carrian Investments (CIL), which has debts of around HK$2.3bn (U.S.$342m), is at the centre of current attempts to restore some of the company's financial health. Objections by some bank creditors have led to the abandonment of previous plans to reschedule some of its debt while assets, mainly local property, were to be sold to meet repayments.

A statement from CIL has thrown little light on the company's tangled operations and on bankers' attempts to sort them out. But it said revised proposals from those produced in January had been made "to provide a long-term solution which would enable CIL to continue trading as a going concern until it may reasonably be assumed that the major markets in which it operates will have recovered."

Thus creditors are being asked to consider conversion of some of their CIL debt into equity, "so that the market value of the company's assets would match its total debt." New capital would also be subscribed from HK$ 250m of funds already placed in on escrow account by its controlling shareholders.

On top of this, the Hongkong and Shanghai Bank would make available to CIL, if needed, o credit facility of a further HK$ 250m. Existing shareholders—their identities are hidden behind a nominee company—would keep a stake in CIL's equity.

The latest proposals have been submitted by advisers, Hambro Pacific. Wardley, the merchant banking arm of Hongkong and Shanghai Bank, supports "the underlying principles of these proposals."

The latter has been Carrion's financial adviser, but CIL said Wardley considered that "advising CIL on certain aspects of the proposals could not be reconciled with their interests as a creditor."

Because of the new proposals, the deadline for final acceptance of the restructuring scheme is likely to be put back some weeks beyond the original May 1 date. Some 70 banks have lent money to various Carrion companies, half of them to the Grand Marine Shipping subsidiary which was acquired by the group in 1981.

Talks on selling 15 new ships to the Li family, which used to control Grand Marine and still owns 18 per cent, are continuing. If successful, such a sale would cut the shipping company's debts by HK$1bn from HK$2.2bn.

The hoped for sale of properties in Singapore and shareholdings in China Underwriters *Life and General Insurance* and in Union Bank, both based in Hong Kong, could yield another HK$1.4bn or so, including the sale of the consumer division (travel, airways, taxis, and food operations).

Carrian also wants to pull out of the Miramar project in the Colony. This is a redevelopment of the hotel of the same name and the group has a one-third stake in the project. Altogether, Carrian has lost some HK$500m on five Hong Kong property ventures as land values have tumbled.

Earnings trebled at Discount Investment

By L. Daniel in Tel Aviv

DISCOUNT Investment Corporation—the main investment arm of the Israel Discount Bank group—reports 1982 net current profits trebled in shekel terms to Sh 490m ($12.4m) during a year when the inflation rate was 130 per cent.

Earnings per Sh 1 share were Sh 2.27 against Sh 0.88. Total capital and reserves also trebled, to U.S.$ 41m

Unlike other investment companies, Discount Investment participates actively in management. Of its investments 54.7 per cent are in industry, with the accent on high technology. Industrial investments accounted for 51.9 per cent of the income in 1982.

Despite the world recession and the downward trend observed in most sectors of the Israeli economy, exports of industrial companies affiliated to Discount Investment rose by 15 per cent last year to $202m.

Apart from industry the company's investments are mainly in finance and insurance services (21.3 per cent of investments and 27.8 per cent of last year's income); in shiping (16.9 and 7.3 per cent); and in real estate and construction (5.8 per cent and 11 per cent).

The company is not distributing a cash dividend to permit further expansion but the scrip distribution for 1982 is raised to 100 per cent from 75 per cent for 1981 when there was also a cash dividend of 18 per cent gross.

Isuzu to join GM in German truck venture

By Charles Smith in Tokyo

ISUZU MOTORS, the Japanese vehicle-maker in which General Motors of the U.S. has a 34.2 per cent interest, is to become a portner in Convesco Vehicle Sales, the company set up by GM this year in West Germany to handle sales throughout Europe of trucys and commercial vehicles.

Isuzu will invest $400,000 in Convesco, giving it a 40 per cent stake. It will supply the knock-down kits or completely built versions of five different Isuzu models ranging from "wagon type" commercial vehicles to medium-sized trucks and be the main source of commercial vehicles and trucks imported by GM into Western Europe.

Isuzu has also announced that it will not pay an interim dividend for the half-year to April 30 because of poor truck sales at home and abroad. Last year the company paid a Y5 per share dividend total, including a Y2.5 interim.

The company expects pre-tax losses of between Y7bn and Y8bn for 1982-83 compared with a pre-tax profit of Y4.77bn previously. Sales are expected to be down to Y315bn from Y367bn.

China woos foreign investors

BY MARK BAKER IN PEKING

CHINA has announced a range of concessions to encourage greater foreign participation in industrial joint ventures.

The new measures, announced by Mr Li Hao, the Deputy Secretary General of China's State Economic Commission, include an extension of tax holidays on new joint ventures. The present "holiday" of one year without income tax and two years at 50 per cent income tax will be extended to two years and three years respectively.

Consolidation for tax purposes of new joint ventures will be abolished and ventures will pay the standard commercial and industrial tax rates applied to China's own enterprises. Also joint ventures which incur losses under normal operating circumstances will be able to obtain the same reductions or exemptions on income tax, as apply to Chinese exporting enterprises.

Another concession is that machinery and other materials imported for joint ventures will be exempt from tariffs and industrial and commercial taxes. There is also to be greater flexibility for joint ventures to sell products on the domestic market and not all ventures will be required to achieve a balance in foreign exchange earnings. Further, if joint-ventures purchase goods and services on the domestic market they can be paid for at domestic prices in Chinese renminbi yuan (RMB), including water, electricity and gas. Precious metals, coal and timber can be purchased in RMB but at current international market prices.

Finally foreign personnel working for joint-ventures will be given the same customs privileges as the representatives of foreign companies with offices in Peking.

In announcing the new measures, which will apply to contracts negotiated or renegotiated from now on, Mr Li acknowledged that many foreign investors had been concerned about China's tax and pricing conditions. "The enthusiasm of some foreign investors has been dampened and there have been some unnecessary worris," he said.

By the end of 1982 there were 48 joint-ventures in China, outside the special economic zones, and most of these were in operation and demonstrating good results, said Mr Li.

Further rights issue from OUE

BY GEORGIE LEE IN SINGAPORE

OVERSEAS Union Enterprises (OUE), an associate of the Overseas Union Bank group, has announced a rights issue of one share for every four shares held at S$4 per share.

The company has also released its results for 1982 which show group profits up by 14.2 per cent to S$31.1m (US$14.8m) on turnover 10.9 per cent higher at S$121.7m.

The rights issue, which is the company's second within a year, will raise some S$99.1m, and will increase its issued capital to S$124m.

OUE is a diversified group and over recent years it has expanded aggressively into the property and financial sectors. Among its major holdings are the prestigious Mandarin Hotel in Singapore, a large stake in Asia Commercial Bank of Singapore, and significant interests in the massive Overseas Union Bank centre and Marina Centre property development projects.

The company has proposed a final gross dividend of 15 per cent making an unchanged total of 30 per cent for the year.

● Singapore International Merchant Bankers, one of the oldest merchant banks in Singapore, lifted pre-tax profits by 11.5 per cent to S$4.3m in 1982 and net profits by 7 per cent to S$2.9m.

Total assets of the bank, which is jointly owned by the Overseas Chinese Banking Corporation and the London-based Schroders, were almost 4 per cent higher at S$214m at the year-end.

● Marco Polo, a subsidiary of the Hongkong and Kowloon Wharf and Godown Company, has reported a 7 per cent decline in group pre-tax earnings to S$12.9m for 1982, and a 5.2 per cent fall in net profits to S$7.4m. Turnover rose by 2 per cent to S$52.5m.

The company, which runs the Marco Polo Hotel in Singapore, has declared a final gross dividend of 6 per cent making an unchanged total of 9 per cent for the year.

UK COMPANY NEWS

Interim setback for Smiths Inds.

A DECLINE in the Australian and South African companies' results is blamed by the directors of Smiths Industries for a fall in group pre-tax profits to £9.54m for the 26 weeks to January 29 last.

The figures compare with £15.29m for the preceeding six months and £11.17m for the first half of the previous year.

Both the marine and medical sectors returned much improved results.

Group sales for the opening half emerged £4.55m lower at £183.3m and at the trading level profits came through at £12.03m, compared with £14.11m previously.

The net interim dividend is being held at 4p per 50p share—a final of 7p was paid for 1981/82 when pre-tax profits totalled £26.46m.

A divisional breakdown of sales and trading profits for the period shows: aerospace £46.4m (£45.45m) and £6.17m (£6.48m); automotive £25m (£28.5m) and £1.33m loss (£519,000 loss); distribution £27.9m (£30.75m) and £653,000 (£120,000); industrial £26.9m (£28.8m) and £1.83m (£2.68m); marine £11.85m (£10.05m) and £341,000 (£125,000 loss); medical £18.95m (£14.6m) and £4.33m (£3.36m); and Australasia / Southern Africa £26.3m (£29.7m) and £42,000 (£2.12m).

Further progress is anticipated in the medical businesses and the aerospace activities are expected to maintain profit at a similar level as the second half of last year (£6.12m).

The results of the group's Australian and South African companies are improving, but are likely to remain substantially lower for the year as a whole.

Indications are that the group's other businesses will continue operating in difficult trading conditions for the remainder of the current year.

Commenting on the first half the directors say that the economies of both Australia and South Africa are severely depressed and, while the Australian company continued to trade profitably, in South Africa major restructuring was necessary and resulted in a trading loss.

Good results continued to be achieved in the aerospace sector and private venture research and development expenditure, particularly on flight management and control systems, was maintained at a level higher than that in the same period of 1982.

In the automotive area sales of original equipment to vehicle manufacturers was little changed but there was a sharp downturn in sales to the trade with a marked effect on profitability.

The steady progress in improving margins on lower turnover in distribution continued and the acquisition in February of 17 additional branches for Godfrey Holmes is expected to further this improvement. The medical companies maintained the strong growth of recent years with excellent results both in the UK and the U.S. The combined results of all North American activities contributed over 25 per cent of total trading profits.

First half interest took £2.49m, compared with £2.94m, and tax accounted for £3.34m, against £3.91m. Minorities declined from £70,000 to £59,000.

Retained profits were lower at £4.05m (£5.13m) after taking account of interim dividend payments of £2.09m (£2.07m).

● comment

Despite a cautionary annual statement Smiths Industries mid-year profits were below market expectations and the shares slipped 12p to 410p. The group, like many companies has found the South African and Australian markets worse than anticipated and the short-term outlook for Australia could mean worse to come. Relatively inexpensive remedial action should at least stem the collapse in profits there. While the joint venture with Lucas will remove the troubled automotive business it is unlikely to be effective before the last quarter so much of these losses will be consolidated at full time. With heavy research and development spending holding down aerospace, the only growth area in the current year will be the medical division which benefits from a strong dollar with most of its competitors in the U.S. Gearing is manageable below 25 per cent and exchange gains, which probably contributed £400,000 midyear, should also benefit the second half but the outlook is now for the group to lose its record of continuous growth possibly finishing around £25m pre-tax for a prospective p/e over 17.

HIGHLIGHTS

Lex today considers UDS where the board remains split over the bids from Hanson Trust and Bassishaw. It also looks at the prospects for another cut in base rates and for a new tap stock from the Exchequer. The column goes on to discuss Northern Engineering Industries which raised profits 20 per cent to £39.5m despite problems in one of its recently acquired U.S. businesses. Also examined is GKN which is appealing for funds by way of an £80m rights issue with no evidence of a profits recovery.

Bowthorpe rises £1m and paying 4.04p total

WITH SECOND-HALF figures up from £5.79m to £6.36m, Bowthorpe Holdings ended 1982 with taxable profits some £1m higher at £12.42m, against £11.4m previously.

Turnover of the group, which makes components for the electronic, telecommunications, aerospace and electric supply industries, rose from £63.94m to £72.79m for the year.

On capital increased by the £9.1m rights issue, the dividend total is being lifted from 3.415p to 4.041p net, with a final of 2.368p—not less than 2.273p had been forecast in October.

Stated earnings per 10p share improved from 13.9p to 15.8p. The tax charge was little changed at £5.64m, against £5.65m, and attributable profits came out ahead from £5.63m to £6.54m.

At the trading level, profits showed an improvement from £9.71m to £10.89m. The share of associates' profits decreased from £1.8m to £1.08m, but there was a credit of £446,000 for interest receivable and similar income, as against a debit of £105,000 last time.

In current cost terms, pre-tax profits were £10.32m (£9.48m).

Quick Group benefits as Sierra supply picks up

IN THE second half of 1982 the H. and J. Quick Group of Ford main dealers made some recovery. And signs in the current year point to the group benefiting from the upturn that is evident in the economy.

For the year 1982 the group incurred a loss before tax of £118,000, after being £110,000 in the red at halfway, compared with a profit of £49,000 in 1981. Redundancy and termination payments have been charged.

Mr Norman Quick, the chairman, says in a year of reorganisation and "total commitment" to new policies, the group had to contend with the prolonged recession and fiercely competitive market. At times the market was near-chaotic.

Mr Quick says the new car market continued to be affected by a surplus of cars and trucks from most of the manufacturers, but the improvement anticipated in the last quarter did not materialise, partly because the supply of the new Ford Sierra fell well short of the numbers expected.

In fact the Sierra has been only available to meet demand during the first quarter of 1983. Mr Quick puts his faith in the Sierra.

In 1982 the group increased its turnover by 6.9 per cent to £85.15m. After tax of £54,000 (same) the net loss comes out at £172,000, against £5,000, which included exceptional expenses of £139,000. Shareholders receive a same again dividend of 1.45p net, the final being 0.92p.

The outlook is "distinctly brighter," the chairman says. Expenses have been reduced and at the same time standards of service maintained in a highly competitive business.

● comment

Quick Group has undergone a major re-organisation over the last year with several of its directors losing their jobs and the workforce being cut by over 100 to 900 at present. Stricter controls have also brought down the value of stocks of parts from £1.5m to £1m so that borrowings could be cut slightly to £2.75m or 53 per cent of shareholders' funds. But in 1982 the company, which is a Manchester-based Ford dealer with 13 outlets, suffered from a shortage of supplies of the Sierra which compounded the effects of the recession in the North-West. Truck sales remained pitifully low, contributing to less than 15 per cent of turnover and only 10 per cent of operating profit. But Quick has benefited from a sharp upturn in the car market in the first quarter of this year, boosting its sales by 15 per cent, thanks primarily to the Sierra. The exceptional items include £75,000 on management consultancy fees. The share price yesterday rose 1p to 39p, where the historic yield is 6.5 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Air Call	3.75	—	3.75	5.6	5.6
Albany Investment Tst.	1.5	July 2	1.45	2.2	2.05
Bowthorpe	2.37†	July 1	1.89	4.04	3.42
Brook Street	0.1	July 29	0.1	0.1	0.1
Comfort Hotels	0.45	—	0.4	0.65	0.6
Emess Lighting ...... int.	3.25	May 19	3	—	7.5
Expamet Intl.	2.5	May 27	2.5	4.5	4.5
Johnston Group	4	July 5	2	6	4
Lamont Holdings	0.9	July 2	0.8	1.3	1.2
NEI	3.25	July 1	2.75	4.75	4.13
H. & J. Quick	0.92	—	0.92	1.45	1.45
Smiths Industries ... int.	4	June 16	4	—	11
Scottish Cities Trust int.	4	April 29	4	—	12.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

Bryant to be first Lloyd's broker on USM

Derek Bryant Group is making a placing of 27.2 per cent of its enlarged capital to become the first Lloyd's broker to join the Unlisted Securities Market. The placing by Brown, Shipley & Co involves 600,000 ordinary 10p shares at 110p each, capitalising the company at £2.42m.

The issue of 200,000 new shares will raise £210,000 gross of new money. The rest of the placing will be in existing shares: 300,000 held by the chairman and chief executive Mr Derek Bryant, and 100,000 from Mr R. Eleson.

The company was founded by Mr Bryant, formerly chief executive and director of Lloyd's brokers Alfred Blackmore & Company, in 1970. In 1982 his stake increased by 20 per cent to 76 per cent. Following the placing he will hold 55.4 per cent.

Five years ago, the company's pre-tax profits reached £320,000 but dipped in the following two years. For the year to September last, helped by new activities and translation effects, they recovered from £182,000 to £510,000 on turnover of £1.27m, against £838,000.

The year end is being adjusted to the calendar year but no profits forecast is given for 1983. For the three months to December 31 last, aided by seasonal factors, profits were £192,000 on turnover of £412,000.

The directors, however, expect to pay a total dividend of 5.25p for the current year for a prospective gross yield of 6.8 per cent. The historical p/e for 1981-1982 is 10.7 on actual tax charge.

The balance sheet shows a cash holding of £2.71m and no debt. On a pro-forma basis net assets per share are 38p.

The main part of the business comes from the U.S. though since 1978 its share of the total has slipped from 70 to 62 per cent. Most of the American portfolio is direct insurance from wholesale and retail brokers. Five leading clients contributed 83 per cent of the U.S. brokerage income. Of these the main client was Darrah Associates which accounted for 52 per cent.

Purchase of George Fryer and Co in 1972 provided a UK base for non-marine and motor insurance activities. Last year motor warranty schemes accounted for 12 per cent of the business, Lloyd's syndicate and London company reinsurance 10 per cent and UK and other business 16 per cent.

Present expansion considerations include an acquisition.

● comment

Derek Bryant is the first Lloyd's insurance broker to come to the Unlisted Securities Market. Roughly 80 per cent of Bryant's fortunes are linked to the Lloyd's insurance market—a higher proportion than those brokers who have full quotes on the London stockmarket, where the Lloyd's involvement relative to the size of the business they process can represent a quarter or less of their total business volumes. But like other insurance brokers the performance of Bryant is likely to be beneficially or adversely affected by exchange rate movements. Over 60 per cent of its business comes from the American market. Bryant appears to be coming to the market to expand the business through acquisition, investment or association. It may take advantage of the Lloyd's grand divestment sale. It thinks that some brokers managements when forced to sell their Lloyd's agencies may decide to keep the agencies and sell the broking companies instead. If so Bryant will be hovering in the wings. Insurance brokers were once a glamour stock among the fuller quoted companies and although not thought of quite as highly as they once were, Bryant could still benefit from what favourable sentiment is left.

Air Call ahead and gains two DoI licences

Increased pre-tax profits of £1.02m against £963,000 have been produced by Air Call for 1982 and the final dividend has been held at 3.75p net, maintaining the total at 5.6p.

Mr J. O. Stanley, chairman, says that the Department of Industry has decided to issue in the immediate future a Radio Common Carriers' Licence and a letter of intent to issue a further licence to cover line and international communication activities when the present Telecommunications Bill, now before Parliament, becomes law.

In the past Mr Stanley says the company has had to struggle to enter new fields of communications and expand services. The licences are of "enormous importance"

Turnover of this USM company, which is concerned with message handling and medical deputising services, moved ahead from £13.65m to £15.18m.

Yorkgreen reverts to the USM

BY DOMINIC LAWSON

Yorkgreen Investments, the lighting-to-gas exploration company, is taking the unusual step of moving from a full listing to the Unlisted Securities Market. The single previous example of such a move was Asil Nadir's Cornell Dresses.

Yorkgreen's shares were suspended at 27p in February pending completion of the £1.64m cash acquisition of Blackpool-based advertising contractor and publisher Stamfast. The switch to the USM was required by the Stock Exchange because Stamfast, whose profits exceed those of Yorkgreen, does not have the five years' trading record necessary for a full listing.

In order to fund the Stamfast acquisition, brokers Smith Keen Cutler are placing 4.7m ordinary shares of 10p each in Yorkgreen at 36p each. The net proceeds are estimated at £1,557,000.

Yorkgreen, incorporated in 1972, reported 1982 pre-tax profits of £168,594, and Stamfast recorded an operating profit of £320,000 for the year to September 1982.

The directors forecast combined pre-tax profits for the year to October 1983 of not less than £600,000.

At the placing price, Yorkgreen is valued on a prospective fully-taxed p/e of 13.6p. The dividend of 1.4p net per ordinary share—which directors expect to recommend for a full year of similar profits to the forecast—represents a gross yield of 5.55 per cent at the placing price.

The new ordinary shares placed, represent 42.3 per cent of the total issued share capital. At the placing price, Yorkgreen is capitalised at almost £4m.

● comment

When the Stock Exchange in its wisdom set up the USM it can never have imagined that fully listed stocks would take the lift to the ground floor. But that is what Yorkgreen Investments has done, although the company is wrong to believe that this is a unique event. Yorkgreen has had a stodgy profits record, and it believes that the Stamfast acquisition will liven up an already quite diverse portfolio. But the investor might have some difficulty in evaluating the new group which is involved in everything from sponsored dustbins to gas exploration. Or is that the same thing? Although Stamfast has a better profits record than the old Yorkgreen, the fully taxed exit PE acquisition price of Stamfast is, at about 11, less demanding than the placing price of the new Yorkgreen shares. The charitable assumption is that Yorkgreen has got a bargain. Certainly the directors claim that in order to land Stamfast, they had to move so quickly that there was no time to organise a rights issue.

RESULTS AND ACCOUNTS IN BRIEF

MOLINS (tobacco and packaging machinery manufacturer)—Results for 1982 and prospects reported March 30. Shareholders' funds £73.48m (£68.8m) loans £15.26m (£10.54m): fixed assets £43.62m (£34.89m); net current assets £48.29m (£47.29m) including cash less short-term borrowings £6.02m (£3.1m): decrease in working capital and liquid funds £1m (£2.46m increase). Meeting, Plaisterers Hall, EC, May 11, 12.15 pm.

GLANFIELD LAWRENCE (motor vehicle distributor and engineer)—For 1982 dividend nil (same); stated losses per share 23p (0.3p earnings); turnover £19.84m (£12.35m); taxable losses £518,375 (£138,032); tax credit £5,964 (£152,641); extraordinary debits £66,692 (£26,075 credits); attributable losses £586,503 (£32,284 profits); shareholders' funds £1.85m (£2.51m); mortgages on freehold properties £647,500 (£348,879); fixed assets £2.5m (£2.44m); net current liabilities £3,758 (£434,179 assets); decrease in working capital £427,937 (£98,070). Meeting: 407 High Road, North Finchley, April 29, 3.00 pm.

WINTERBOTTOM ENERGY TRUST—Net Asset Value per ordinary share at April 8 1983 was 62.6p after prior charges at par and 64.7p after prior charges at market value.

CLERICAL MEDICAL & GENERAL LIFE ASSURANCE SOCIETY—Results for 1982 reported on January 6 1983. Long term business funds £1.07bn (£733.88b); Invested assets £1.16bn (£820.56m); net current assets £12.77m (£1.16m): increase in net current assets £11.61m (£7.91m). Meeting: 15, St. James's Square, SW, April 20, 2.30 pm.

BRENT CHEMICALS INTERNATIONAL Results for 1982 reported on March 23 1983. Shareholders' funds £10.44m (£8.92m): current assets £20.41m (£18.09m); current liabilities £12.89m (£12.22m); net current assets £7.52m (£5.87m). Decrease in net working capital £286,000 (£534,000 increase). During the year, a director received £36,250 as compensation for loss of office. Meeting: Hayes, Middlesex, May 5, at 12.15 pm.

HUGH MACKAY (carpet maker)—Results for 1982 reported March 17. Group shareholders' funds £4.54m (£4.48m). Fixed assets £1.88m (same). Net current assets £2.5m (£2.44m).

STANDARD BANK INVESTMENT CORPORATION (South African subsidiary of Standard Chartered)—Company has revised its profit outlook and has warned that earnings this year are likely to be lower than in 1982. Two months ago the chairman forecast a "fairly modest increase." The revised forecast is the result of the company being forced to follow other banks' lead in offering interest on current accounts.

ALBANY INVESTMENT TRUST—Final dividend 1.5p making 2.2p (2.05p) net for the year to February 28 1983. Net revenue £118,460 (£113,073) after tax of £60,715 (£56,518). Valuation of investments £3.61m (£2.83m). Net asset value per 20p share 69.78p (54.54p). Annual meeting will be held at Liverpool on July 1, at 2.30 pm.

SOLEX (carburetter maker, in Matra S.A. France group)—Results for 1982 show turnover £16.82m (£11.38m). Loss £1.19m (£490,000), after exceptional debits £81,000 (£5,000) and including investment income £231,000 (£236,000) and interest received £54,000 (£170,000). Exceptional debits comprise sale of investments £215,000 (£172,000), sale of freehold properties £69,000 (nil), redundancy programme £364,000 (£113,000) and reorganisation costs £1,000 (£64,000). Tax charge £36,000 (credit £5,000) and provision for closure of manufacturing of a subsidiary £167,000 (nil), making loss attributable £1.39m (£475,000). Loss per share 20.8p (8p).

Expamet International PLC

	1982 £000	1981 £000
Turnover	27,862	32,316
Group profit before tax and extraordinary item	1,959	1,158
Tax	789	654
Extraordinary item	(182)	(303)
Earnings per share	5.35p	2.30p
Dividends per share	4.5p	4.5p

Note. The above profit and loss account is an abridged version of the Group's full accounts which carry an unqualified auditors' report. Full accounts will be delivered to the Registrar of Companies for filing following the Annual General Meeting to be held on 18th May 1983.

Extracts from the Chairman's Statement included in the Report and Accounts which have been posted to shareholders on 12th April 1983.

1982 Results and Dividends The Group profit before taxation of £1,959,000 still does not represent an adequate return on capital employed. It does however represent material progress towards that goal. The figure is stated after incurring some £125,000 in start-up costs at the new door and cubicle manufacturing facility.

An interim dividend of 2p per share was paid on 26th November 1982. The Directors now recommend a final dividend of 2.5p per share, making a total for the year of 4.5p per share.

Resources 1982 saw a number of structural changes in the Group, all of which have already been reported on—the sale of loss-making West Midland Steel Stockholders at full asset value, the closure of the Blevex operation jointly owned with John Laing and the establishment of a new door and cubicle operation at Hartlepool.

After investing £744,000 in the new door and cubicle manufacturing operation (£524,000 plant and equipment and £220,000 working capital) the Group finished the year with net cash of £729,000, which was reinforced on 31st March 1983 by receipt of the final £1,200,000 in respect of the sale of West Midland Steel Stockholders. Unless demand for the group's products is exceptionally strong, necessitating the provision of additional working capital, cash flow for 1983 should be positive.

At 31st December 1982 net assets were £18,440,000, the equivalent of 84p per share and with a high degree of liquidity.

Trading During the last quarter of 1982, demand in the U.K. improved, especially for building products. By contrast conditions in the U.S.A. were very difficult, stock shedding and price cutting being rampant.

In these circumstances, Expanded Metal Corporation did well to stay profitable over the year as a whole.

Our associated company in Australia had a good year but is likely to find 1983 tougher going.

Outlook The U.K. companies have made a good start to 1983 and, provided the new door and cubicle operation can be brought into profitability reasonably quickly, the outlook is encouraging.

In the U.S.A., the first half-year is likely to continue to be difficult but, if the encouraging signs of a recovery in the U.S. economy prove justified, conditions should improve as the year progresses.

The Australian market is likely to remain in recession for a while yet, but the strong management team out there can be relied upon to get their full share of whatever business is available.

Overall, with vigorous selling round the world and continued success in holding down working capital requirements, the Group—provided the world economy does not lurch back into recession—should make further progress in 1983.

UK COMPANY NEWS

Comfort Hotels profits jump to £1.28m pre-tax

SECOND HALF pre-tax profits of Comfort Hotels International, hotel operator, expanded from £866,984 to £1.17m and lifted the full 1982 figure to £1.28m, compared with a previous £573,984.

Trading to date indicates that progress will be continued in the current year, directors state.

Earnings per 10p share are shown as 1.84p, against 0.81p, and the dividend is lifted to 0.65p net (0.6p) with an increased final payment of 0.45p.

Mr Henry J. Edwards, chairman, considers the results satisfactory taking into account that difficult trading conditions continued during the year.

He explains that this was partly due to the depressed home market and partly to the number of overseas visitors only improving marginally compared to 1981.

Strikes Restaurants maintained its good performance and its introduction to the Unlisted Securities Market is due to take place shortly, he points out.

The company's strategy to streamline its activities and to concentrate on larger and more modern units has continued successfully with the leasing of the 400-room Royal Kensington Hotel in London and the 200-room Tivoli Comfort Hotel in Copenhagen.

The Dutch subsidiary achieved a much improved performance in 1982 and is expected to continue to progress in 1983, Mr. Edwards says.

The transaction with Ronte-stone, details of which have already been circulated to shareholders, has been partly completed and is expected to be finalised in the near future.

The recently announced scheme to build five Comfort Inns in different strategic locations throughout the country has been well received and will be carried out through a joint company with a partner providing the majority of the finance needed.

The chairman points out that Londonderry Mayfair was acquired in March 1983 with a portfolio of investment and development properties as well as the 70-room New Normandie Hotel in Bournemouth, now managed by Comfort's hotel operating division.

Turnover for 1982 increased from £24.08m to £26.54m, and the pre-tax figure was after interest charges, slightly lower at £2.54m, compared with £2.63m.

After tax, £323,876 (£154,642), minority interests, £2,082 (nil) and extraordinary debits totalling £530,327, against £131,343, the attributable balance came through at £419,974 (£287,999).

Dividends will absorb £335,652 (£309,833) leaving £84,322 (£21,834 loss) retained.

On a current cost basis the pre-tax figure is just reduced at £1.25m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Kalamazoo, Portland Holdings.

Finals—Anthony and Medeley, British Mohair Spinners, Burmah Oil, J. J. Dewhirst, Empire Stores (Bradford), John Foster, Gill and Duffus, Hewden-Stuart Plant, Higgs and Hill, Huntleigh, Oil and Gas Production, Oldfield Inspection Services, Pearl Assurance, Rockware, Royal Worcester, George Spencer, Wilson (Connolly).

FUTURE DATES

Finals:—

Aberthaw Cement	Apr 19
Arrow Chemicals	Apr 15
Cory (Horace)	Apr 21
Currys	Apr 18
Edinburgh Investment Trust	Apr 18
Flight Refuelling	Apr 26
Helene of London	Apr 22
Jerome (S.)	Apr 15
Laporte Industries	Apr 21
Owen Owen	Apr 21
Pearson (S.)	Apr 20
Peninsular & Steam Navigation	May 4
Slingsby (H. C.)	Apr 26
Twinlock	Apr 18

Johnston Group has good year: pays more

DESCRIBING 1982 as a most successful year, the directors of Johnston Group report that turnover advanced by 25.1 per cent, from £42.42m to £53.07m, and profit before tax rose by 21.3 per cent, from £5.17m to £6.27m.

Earnings have moved ahead from 25.86p to 31.99p, and the dividend is being lifted by 2p to 6p net, with a final of 4p.

Looking at prospects for the current year the directors state that to an extent opportunities exist for further success. But in certain key areas the order books are below the desired levels.

Engineering and hydraulics accounted for 30.2 (36.9 per cent of turnover and £1.53m (£1.15m) of pre-tax profit; civil engineering, building and road maintenance 45.5 (37.2) per cent and £2.28m (£1.5m); and civil engineering supplies 24.3 (25.9) per cent and £2.47m (£2.52m). Of the profit £978,000 (£1.3m) was attributable to associated companies.

After tax of £2.97m (£2.48m) —reduced by £258,000 (£333,000) for stock relief—the year's net profit came out at £3.3m (£2.69m). Cost of the ordinary dividend is £600,000 (£400,000).

At the year end the stated net asset value per ordinary share had increased from 155.77p to 184.28p.

In engineering and hydraulics, vigorous marketing and cost containment enabled the group to take advantage of a slight improvement in demand for suction cleaners. Three new models were introduced which should increase sales potential. In hydraulics conditions remain depressed but an energetic selling approach gives hope of greater volume. The group's garages contributed to overall results and should benefit from the new models in the BL range.

For civil engineering, building and road maintenance conditions remained competitive in the UK. The order book is lower than desired but there is considerable tendering activity.

NEI expands by 20% to £39.51m

FOR 1982, international engineering concern, Northern Engineering Industries has pushed ahead results at the pre-tax level from £33.03m to £39.51m, a 20 per cent rise, with a second-half advance from £17.98m to £21.48m.

Group turnover expanded by 20 per cent also to £867m (£721m) and directors are lifting the dividend from 4.125p to 4.75p net per 25p share with a final distribution of 3.25p.

Mr Duncan McDonald, chairman, says that the group is looking forward to "yet another successful year in 1983." He states that it is too early to predict the rate of progress, but the year opened with a higher order book than at the start of 1982.

Profitability levels, aided by increasing efficiency, are being maintained, he says, by most of the group's companies, both in the UK and overseas.

Mr McDonald states that the group "has stood up better than many engineering companies to the world recession and since the recovery from the setback in 1979 has succeeded in maintaining consistent growth in turnover and profits."

Earnings per share are shown as 11.26p, against 10.34p and the group's strong liquidity has been further improved, with bank balances and short-term deposits exceeding total group borrowings.

An analysis of turnover and pre-tax profit for the 12 months shows: UK operations—power group and projects £305m and £13.48m; electrical and industrial group £222m and £13.08m; mechanical group £130m and £3.47m; overseas operations—Africa £120m and £11.24m; North America £111m and £1.81m; Australasia £51m and £2.66m; Eire £2m and £0.44m loss. Intra-group trading accounted for £74m of turnover and the pre-tax figure was after international marketing and other central costs £3.33m, interest £4.49m, and included associate's share £2.03m.

Mr McDonald says that overall, companies in the UK achieved satisfactory levels of business. UK operations in 1982 accounted for a higher proportion of pre-tax profits than in the previous year and an encouraging order intake includes an increasing export content.

NEI Projects, which takes the lead for the group in undertaking the design construction and project management of comprehensive contracts, has achieved significant success in the international power generation market by securing the turnkey contract for the Rihond 1000 MW coal-fired power station in India. This contract, which was signed last September, will bring over £230m in UK export business and involves nine of the eleven trading companies, the chairman explains.

Other important export successes include the main power plant, comprising boilers, turbines and ancillary equipment for power stations in Brazil and Libya. Early in 1983 the group was awarded the contract for a small power station in Botswana.

The group has a substantial manufacturing programme involving nearly all trading companies for the nuclear power stations at Heysham II and Torness, "but our main effort continues to be concentrated on overseas markets."

While international business is fiercely competitive the chairman says that experience has demonstrated that it is possible to obtain a satisfactory workload with reasonable margins for the group's UK factories in selected overseas markets, and that this is the direction "which our efforts are taking."

Overseas operations continue to make an important contribution to the group. NEI Africa had another successful year, with a substantial increase in pre-tax profit for the year and a record order book while NEI Engineering Pacific also made an increased profit contribution despite difficult trading conditions.

A satisfactory level of profitability was maintained by NEI Canada, with sales of low energy display equipment counterbalancing the recession in the markets for power and distribution transformers.

The group's U.S. operations, however, suffered severely from the depression.

International Power Machines operated at a reduced profit and Extel Corporation suffered a loss of some £4.1m against a profit of £3.4m in 1981. Engineering and marketing activity has been intensified in both companies and Extel is now ready to launch a complete new range of communications terminals and message switching devices. Trading results are expected to improve during the second half of 1983, the chairman states.

Tax charge for 1982 was higher at £12.03m, compared with £9.19m, and minority interests took £2.6m, against £3.1m. After extraordinary debits totalling £2.95m (£1.3m) the attributable balance emerged at £21.93m, up from £19.45m. Dividends will absorb £10.74m (£9.37m).

Order intake during the year exceeded £1bn, export orders received were £341m — 48 per cent of UK order intake — and net orders in hand totalled £1.49bn.

On a CCA basis the pre-tax figure is reduced to £18.6m

See Lex

Emess lifts its interim after bright six months

In view of satisfactory results for the half year ended December 31 1982, the directors of Emess Lighting are raising the interim dividend from 3p to 3.25p net.

For the period turnover rose from £1.78m to £1.95m and profit before tax from £163,342 to £190,781. The half was characterised by increased consumer demand, although trading remained competitive with continuing pressure on margins. Increased market share was the main factor behind the rise in profits.

The directors continue to place emphasis on new product development while seeking complementary acquisitions to strengthen Emess.

After tax £19,278 (£17,743) the half year's net profit is shown at £171,503 (£145,599), equal to 12.42p (10.84p) per share. For the full year ended June 30 1982 the profit came to £336,335 pre-tax, and the dividend was 7.5p.

23% advance to £568,000 by Lamont

DESPITE THE recession Lamont Holdings was able to continue steady progress in 1982 with a 23 per cent increase in pre-tax profit.

Group profit before tax for 1982 was £568,000, compared with £461,000 reflecting the benefits from more control of costs and efforts to improve margins. While interest charges at £297,000 (£304,000) were slightly lower, the charge for taxation is £158,000 against a credit of £23,000.

Earnings per 10p share were given as slipping from 3.8p to 2.96p, the final dividend has been lifted from 0.8p to 0.9p net, which improves the total from 1.2p to 1.3p.

Fitch & Company

Fitch & Company Design Consultants, with pre-tax profits of £875,000 for 1982, has beaten its forecast by £50,000 and not £25,000 as reported in yesterday's edition.

Expamet up £0.8m and more progress seen

HELPED BY lower interest charges and a positive contribution this time from its associated companies, Expamet International, industrial holding company, raised 1982 pre-tax profits from £1.16m to £1.96m, despite a £4.46m fall in turnover to £27.86m.

On prospects, the directors believe that overall, with vigorous selling round the world and continued success in holding down working capital requirements, the group—formerly Expanded Metal Co.—should make further progress in 1983.

At halfway, when reporting taxable profits up from £376,000 to £930,000, the directors said that indications were that the slow recovery achieved over the previous three half-years could be continued in the second six months. In the event, second-half profits rose from £782,000 last time to £1.03m.

During the last quarter of 1982, demand in the UK improved, especially for building products. The UK companies have made a good start to 1983 and, provided the new door and cubicle operation can be brought into profitability reasonably quickly, the outlook is encouraging.

Group pre-tax profits were struck after some £125,000 in start-up costs at the new door and cubicle manufacturing facility.

Conditions last year in the U.S. were very difficult, with stock shedding and price cutting being rampant. The first half of this year is likely to continue to be difficult but, if the encouraging signs of recovery in the U.S. economy prove justified, conditions are expected to improve as the year progresses.

The group's share of associated companies' profits came out at £36,000, as against a loss of £55,000 previously. Interest payments dropped from £444,000 to £91,000, but the tax charge was higher at £789,000.

Stated earnings per 25p share increased from 2.3p to 5.35p, while the dividend is maintained at 4.5p net with a same-again final of 2.5p.

Extraordinary debits showed a reduction from £303,000 to £182,000 for the year.

● comment

After a period of stagnation, demand has picked up in Expamet's core businesses and the company has succeeded in freeing itself from the profit drag caused by lossmaker Blevex and West Midland Steel Stockholders, which was only marginally profitable. Above the line losses of £196,000 from Blevex are included in the latest result, as well as closure costs, but the main benefits from the elimination of losses should begin to show through in the current year. hTe disposal of West Midland from £3.2m has helped to cut net debt considerably and provided the group with funds for future expansion. Most of the demand improvement has come in the UK, and more particularly from the upsurge in housing starts and refurbishment. The U.S. operations broke even last year, though some improvement is expected in the current period. The new door and cubicle operation effectively replaces the earlier unsuccessful diversifications into steel and fire protection. The new direction suggests Expamet's management is intent on widening the applications for its principal product and gradually building the business base. The market, however, remains seemingly unimpressed with the group's potential. The share was unchanged at 71p after yesterday's announcement, yielding an attractive 9.4 per cent.

Assoc. Engineering SA chairman gives warning

Associated Engineering (SA) (Asseng), the South African offshoot of Associated Engineering, will suffer an after-tax operating loss of about R9.4m in the year ended September 30 1983, unless minority shareholders approve proposals for dismantling of the group. The warning was given by Mr Charles Dace, chairman of Asseng, in documents motivating the proposals.

This follows an after-tax loss of R8.5m which was incurred last year.

The UK concern, which owns 64 per cent of Asseng, wishes to acquire the South African company's warehousing and manufacturing interests for R14.9m.

The British parent has agreed to sell its 64 per cent residual holding in Asseng to Mr Peter Rhodes for 7 cents a share. A similar offer will be extended by Rhodes to minority shareholders.

George Weston Foods

Australia-based George Weston Foods, which is about 80 per cent owned by Associated British Foods in the UK, produced a 28 per cent increase in profit for the year to January 31, 1983, from A$11.8m (£6.72m) to A$15.2m.

Final dividend has been lifted from 6 cents a share to 6.5 cents, making a total payout of 10.5 cents (9.5 cents). Earnings per share improved from 18.5 cents to 24.2 cents, while sales rose 11 per cent, to A$519m.

Worsening losses in the bread division held the second-half profits gain to 15.5 per cent, after a 41 per cent surge.

The directors hope the inquiry will result in recommendations which benefit the industry.

Tax payable in the year to last January 31 was A$10.8m (A$8.6m), interest costs were A$8.2m (A$7.1m), and depreciation charges amounted to A$10.5m (A$9.7m).

UK COMPANY NEWS

Brook Street losses reduced

SHARPLY REDUCED losses for 1982 are reported by Brook Street Bureau, the clerical and administrative staff agency, and the directors have "every hope" of a return to profit in the current year.

At the pre-tax level the group incurred a loss of £806,740, almost half the deficit of £1.53m returned for the previous 12 months, with the improvement most marked in the second half when the loss, at £173,667, was little more than a quarter of that sustained during the latter half of 1981.

The directors say they are "reasonably satisfied" that trading cooditions in the UK are oow improving and that they have every hope that a return to profitability will be achieved in 1983.

Meanwhile, they are holding the dividend at a nominal 0.1p oet per 10p share—the interim payment was omitted for the second year running. Loss per share emerged at 7.13p, compared with 10.39p for 1981.

Group turnover was marginally lower at £14.36m, against £14.92m. Figures for the UK rose slightly despite rationalisation of the group's branch oetwork.

In this connection costs of more than £160,000 associated with closed branches prior to the disposal of the premises were taken into account when arriving at the pre-tax deficit. The loss was also after crediting £157,000 from property sales in Australia.

Tax for the year took less et £79,616 (£452,487) and was made up as to UK £40,685 (£518,187), overseas credits of £2,700 (£64,096) and an adjustment in respect of previous years of £41,631 (£1,604 credit).

After dividend payments, the same at £10,339, the retained deficit came through much lower at £737,463, compared with £1.08m.

The directors conclude that the group enters 1983 with the largest chain of employment agency offices in the UK and with net tangible assets of more than £2.5m.

● comment

Brook Street Bureau's second-half losses were well below those of the first half and significantly lower than the market had expected. Even so, the latest figures give little cause for optimism and shareholders must still be wondering whether the tide of red ink will be stemmed in time to prevent further serious erosion of the capital base. Over the past two years, shareholders' funds have been steadily whittled away from £4.5m to £2.5m, which does not leave much room for e continuation of losses—even et the present level. During the same period, cash reserves havo been run down from £3m to £1.2m, though the group derives some strength from remaining ungeared. The desperate cost cutting programmo since the onset of the recession has culled the number of branches from a peak of 200 to only 99. But the company will have to do more than reduce costs if it is to echieve a turnaround and any future return to profitability is unavoidably linked to employment levels. Managemento hope of profits by the current year's end seems optimistic, since employment levels tend to react slowly to any general economic recovery. The share gained 3p to 26p yesterday, where the market capitalisation of £2.6m continues to reflect the uncertain prospects.

Lorlin Electronics joining USM with £1m placing

BY DOMINIC LAWSON

Lorlin Electronics is to anoounce later this week that it is coming to the Unlisted Securities Market. The company, which started business in 1961, is engaged principally in the design, development and manufacture of switches and connectors for electrical and electronic equipment.

This week, 1,325,000 shares in the company will be placed by brokers Hitchen Harrison at 80p each to raise just over £1m. At that price, Lorlin will be capitalised at £4m.

In 1978 Lorlin made £297,000 pre-tax, and in the following year advanced to £364,000. However that figure has oot yet been beaten, and last year the company made only £306,000. However, the directors forecast that in 1983 the company will make in excess of £400,000 pre-tax. At the placing price that gives e prospective fully taxed multiple of 20.8.

Lorlin is one of the largest manufacturers of switches in the UK, and its customers include Thorn EMI, Philips, Fidelity, Rediffusion, and Granada. No one customer eccounts for more than 5 per cent of turnover.

The placing represents the sale of shares by the non-executive chairman Mr Sidney Berk, aged 72, and by his daughters. Following the placing, Mr Berk, who is resident in Marbella, Spain, will remain the largest shareholder, with about 22 per cent of the equity.

Argyll Foods restructures for growth

Mr James Gulliver, the chairman of Argyll Foods, has announced an important restructuring of the group to consolidate the existing business and to provide e framework for future expansion.

Argyll Foods will continue to be the parent holding company with Mr Alistair Grant as group managing director. Three new companies have been formed.

Argyll Stores, formerly Allied Suppliers, will be the principal operating subsidiary responsible for all retail and wholesale ectivities of the groop.

The consolidation of these trading operations into one company under one board of directors will ensure consistent implementation of policies and will capitalise on the group's overall strengths. It also recognises the importance of Argyll's principal activities in retailing.

The manufacturing interests are being combined under another new company—Argyll Foods (Manufacturing). This has been formed to embrace the ectivities of Argyll Quality Foods, and reflects the group's continued commitment to its manufacturing interests.

The overall co-ordination of the marketing, buying and distribution activities for all group companies will be undertaken by Argyll Foods (Trading). This company has been formed to take advantage of the combined strengths of the various busioesses in which the group is involved.

The restructuring becomes effective immediately.

Bluemel rights

The one-for-three rights issue by motor accessories manufacturer Bluemel Bros. has met with 80.8 per cent acceptance. The shares not taken up will be sold and the proceeds, after deduction of the issue price, will be remitted to provisional allottees. Of the 6.8m new 10p shares, 5.5m have been taken up.

The rights issue is intended to raise roughly £632,000 and is being underwritten by Hammond International, which holds 14.64 per cent of the existing issued capital.

Yearlings down ½%

The interest rate for this week's issue of local aothority bonds is 10 per cent, down half of a percentage point from last week and compares with 14 per cent year ago. The bonds are issued at par and are redeemable oo April 18, 1984.

A full list of issues will be published in tomorrow's edition.

MINING NEWS

Noranda looking for a 'substantial' recovery

BY KENNETH MARSTON, MINING EDITOR

CANADA'S MAJOR oatural resources group, Noranda, is yet another to be scenting recovery prospects. In the annual report Noranda says that it is looking for a "substantial improvement" in 1983, especially during the second half.

For 1982 there was a net loss of C$82.9m (£44m) compared with a net profit of C$164.8m in the previous year. Matters in the current year will be helped by a substantial reduction in capital spending which amounted to C$706m in 1982.

However, Noranda, whose interests include e major stake in the exciting Hemlo gold camp in Ontario, adds that unless the economic recovery is stronger than expected at present, the results for the year a as whole will still be unsatisfactory.

Another sign of better times ahead comes with the news, reported by John Soganich from Toronto, that Kidd Creek Mines, the big copper-zinc-gold producer in the Timmins district of Ontario, is not now to shut down for July as previously announced.

Furthermore, the company is to resume its practice of hiring summer students to replace employees on vacation. Mr Ray Clarke, the chairman, says that cost reduction moves and efforts made by employees have significantly improved the company's financial outlook this year and he believes that the economy is "turning around slowly."

On the other hand, the Noranda-owned Heath Steele Mines is to stop all underground production from its zinc-lead-copper-silver mine in northern New Brunswick at the end of this month. The closure will last for six months or until such time as the metals can be marketed profitably.

Closure was announced last November but at the request of the Provincial Government the company agreed to keep the mine open. In spite of improved productivity and a higher price for the silver, cash losses have continued. Heath Steele can see "very little relief" in the current position of over-supply in lead and zinc.

Meanwhile, McIntyre Mines says that the major task for this year will be to weather the world economic storm and to devote all efforts to secure markets for the company's Smoky River coal operations in Alberta.

Lower coal sales last year reflected major reductions in steel operations carried out by customers in Japan and Latin America. The Japanese steelmakers have told McIntyre that after the existing coal contracts expire in 1984 there will be no further purchases from the company in view of the worldwide oversupply of metallurgical coal.

The McIntyre management hopes that by then the oversupply situation will be corrected and further sales to Japan will be possible. Meanwhile efforts are being made to secure sufficient additional sales to replace a substantial proportion of the Japanese tonnages.

Export controls check tin output

THE CONTINUING effects of the tin export controls introduced last summer by the International Tin Agreement were responsible for the shut-down of 14 dredges under the management of the Malaysian Mining Corporation, and its controlling body Pernas Charter Management, during March.

Output of tin concentrates produced by MMC and other Far Eastern companies under the management of PCM and its associates fell to 1,110 tonnes during the month compared with 1,126 tonnes in February.

The biggest producer in the group, MMC, increased output to 493 tonnes of concentrates, against 454 tonnes in February but the cumulative total for the nine months to end-March shows e sharp fall on the 6,330 tonnes produced in the same period last year.

The second largest producer managed by PCM, Berjuntai, produced 2,238 tonnes of concentrates in the 11 months period against 3,253 tonnes in the comparable period last year.

Another of Malaysia's major tin producers, Gopeng Consolidated, increased output of concentrates to 130 tonnes in March, compared with 114 tonnes in February, bringing the total for the six mooths period to 848.25 tonnes against 899.25 tonnes in the six months to end-March 1982.

Outputs from the two groups are compared in the following tables:—

	March tonnes	Feb tonnes	Jan tonnes
Aokam	65	114	99
Ayer. Hitam	78	94	62
Berjuntai	187	173	210
MMC	493	454	587
Sungei Besi	47	44	44
Tangkah Hart	47	44	45
Tronoh	30	36	32

	March tonnes	Feb tonnes	Jan tonnes
Gopeng	130	114	145
Mambang	42½	9¼	34¾
Tanjong	4¼	3¾	5½
Idris	6	5½	3

Malaysia tin mine restructuring

THE AWAITED restructuring is announced of the rich ML 4 tin mining operation at Dengkil in Selangor State, Malaysia. At present it is being carried on as a joint venture between the CRA group's Conzinc Holdings (Malaysia) and Perangsang Rio Tinto.

Wong Sulong reports from Kuala Lumpur that under e complex three-stage plan the venture will be merged into Conzinc Riotinto Malaysia (CRM).

CRM will be owned as to 55.8 per cent by the Selangor Government's Kumpulan Perangsang. A further 40.9 per cent will be held by Conzinc Holdings (Malaysia) with the remaining 3.3 per cent going to the Malay group, Syarikat Lombong Setapak.

Datuk Sulaiman Manan, managing director of Kumpulan Perangsang, said that the restructuring was in line with the Government's new economic policy. He added that the merger of the ML 4 operations would strengthen CRM at times of weak tin prices and stiff export controls.

He also announced another move whereby Kumpulang Perangsan will oext month sign an agreement to acquire e 30 per cent equity in Petaling Tin. The Government company will pay M$6.15 (175p) per Petaling share compared with a traded price of M$11.30.

Datuk Suleiman said that the move, which will also increase Petaling's issued capital to 10.08m shares by the creation of 3.03m new shares, will ensure the extension of the company's mining lease which runs out in 1985.

RESULTS AND ACCOUNTS IN BRIEF

FAMILY INVESTMENT TRUST—Results for year to January 31 1983 reported on March 4. Investments at valuation listed in UK, £6.56m (£5.07m), abroad, £153,819 (£79,000); unlisted, UK £1.02m (£671,706), abroad £134,301 (£26,779); net current assets £156,126 (£36,133); shareholders' funds £8.03m (£5.89m). Increase in liquidity £114,000 (decrease £369,000). Meeting: 20, Fenchurch Street, EC, May 4, 2.30 pm.

GALLAHER (tobacco, optics, industrial pumps and valves, distribution and office products)—Results for 1982 already known. Shareholders' funds £309.68m (£292.7m); fixed assets £237.24m (£218.91m); current assets £559.51m (£525.8m), including debtors £241.52m (£237.74m) and bank balances and cash £10.94m (£11.27m); net current assets before deducting bank and other loans and future tax £214.11m (£214.61m). Decrease in working capital £3.5m (£40.95m increase). Since the year-end, group has acquired 92.5 per cent of a Spanish optical company with 35 branches throughout Spain. It has also bought the whole share capital of Eastlight, a company trading in office products.

MARTIN FORD (ladies' wear retailer)—Results for year to November 27 1982 reported on February 10 1983. Shareholders' funds £3.76m (£3.62m); excess current assets £1.3m (£1.13m); increase in working capital £169,768 (decrease £480,814). Meeting: Great Eastern Hotel, Liverpool Street, EC, May 5, at noon.

GREENCOAT PROPERTIES—No dividend for the six months to the end of December 1982 (last dividend paid in 1975). Pre-tax losses £64,000 (£47,000); no tax (same); turnover 1.22m (£791,000). Rental income increased by 18 per cent and continued growth is expected, say the directors. They have confidence that the foundations are being laid for growth in the asset value and profits of the company.

LEDA INVESTMENT TRUST—Net asset value at March 31 1983 was 115.1p per capital share.

Owing to technical problems, a number of the entries in yesterday's World Value of the Pound table were incorrect. The corrected figures are given below

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on April 11, 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	89.00
Albania	Lek	10.18
Algeria	Dinar	(A) 7.1975
Andorra	French Franc	11.075
	Spanish Peseta	206.66
Angola	Kwanza	(CM) 48.684
Antigua (§)	E. Caribbean $	4.109
Argentina	Ar. Peso	105.943
Australia (§)	Australian $	1.757
Austria	Schilling	25.995
Azores	Portug'se Escudo	148.50
Bahamas	Ba. Dollar	1.5270
Bahrain	Dinar	0.575
Balearic Isles	Spa. Peseta	206.68
Bangladesh	Taka	35.70
Barbados	Barbados $	3.054
Belgium	B. Franc	(com) 75.50
		(fn) 74.15
Belize	B $	3.054
Benin	C.F.A. Franc	553.75
Bermuda	Bda $	1.5270
Bhutan	Indian Rupee	15.10
Bolivia	Bolivian Peso	(cm) 67.19
		(F)(A)302.35
Botswana	Pula	1.6475
Brazil	Cruzeiro ‡‡	647.12
Brit. Virgin Isles	U.S. $	1.5270
Brunei	Brunei $	3.205
Bulgaria	Lev	1.4850
Burma	Kyat	12.2054
Burundi	Burundi Franc	165.59
Cameroon Republic	C.F.A. Franc	553.75
Canada	Canadian $	1.882
Canary Islands	Spanish Peseta	206.65
Cape Verde Isle	Cape V. Escudo	85.55
Cayman Islands	Cay. Is. $	1.2795
Cent. Afr. Republic	C.F.A. Franc	553.75
Chad	C.F.A. Franc	553.75
Chile	C. Peso	109.62
China	Renminbi Yuan	2.9855
Colombia	C. Peso	(F) 112.95
Comoro Islands	C.F.A. Franc	553.75
Congo (Brazaville)	C.F.A. Franc	553.75
Costa Rica	Colon	(O) N/A
		(F) 61.06
Cuba	Cuban Peso	1.3020
Cyprus	Cyprus £	0.7820
Czechoslovakia	Koruna	(com) 9.20
		s/c 15.01
		(T)16.10
Denmark	Danish Krone	13.11
Djibouti	Fr.	250 (sg)
Dominica	E. Caribbean $	4.109
Dominican Repub.	Dominican (Peso)	1.5270
Ecuador	Sucre	(O) 65.95
		(F) 185.70
Egypt	Egyptian £	(U) 1.2550
Equatorial Guinea	Ekuele	413.7
Ethiopia	Ethiopian Birr	(P) 3.1000
Falkland Islands	Falkland Is £	1.0
Faroe Islands	Danish Krone	13.11
Fiji Islands	Fiji $	1.5265
Finland	Markka	8.2985
France	French Franc	11.075
French C'tyin Af*	C.F.A. Franc	553.75
French Guiana	Local Franc	11.075
French Pacific Is.	C.F.P. Franc	185 (sg)
Gabon	C.F.A. Franc	553.75
Gambia	Dalasi	4.00
Germany (East)	Ostmark	3.6975
Germany (West)	Deutsch Mark	3.6975
Ghana	Cedi	4.22
Gibraltar	Gibraltar £	1.0
Greece	Drachma	137.175

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	13.11
Grenada	E. Caribbean $	4.109
Guadaloupe	Local Franc	11.075
Guam	U.S. $	1.5270
Guatemala	Quetzal	1.5270
Guinea Republic	Syli	34.67
Guinea Bissau	Peso	61.80
Guyana	Guyanese $	4.5645
Haiti	Gourd	7.635
Honduras Repub	Lempira	3.06
Hong Kong	H.K. $	10.945
Hungary	Forint	60.71‡‡
Iceland	I. Krona	32.292
India	Ind. Rupee	15.10
Indonesia	Rupiah	1,475.3
Iran	Rial	127.95(sg)
Iraq	Iraq Dinar	0.46925
Irish Republic	Irish £	1.1565
Israel	Shekel	60.50
Italy	Lira	2,201
Ivory Coast	C.F.A. Franc	553.75
Jamaica	Jamaica Dollar	(O)2.72
		(F)4.25
Japan	Yen	363.75
Jordan	Jordan Dinar	0.539
Kampuchea	Riel	1,669.4
Kenya	Kenya Shilling	19.54
Kiribati	Australian $	1.7565
Korea (Nth)	Won	1.44(n)
Korea (Sth)	Won	1,165.74
Kuwait	Kuwait Dinar	0.4445
Laos	New Kip	15.22
Lebanon	Lebanese £	6.2835
Lesotho	Maluti	1.67375
Liberia	Liberian $	1.5270
Libya	Libyan Dinar	0.4521
Liechtenstein	Swiss Franc	3.1250
Luxembourg	Lux Franc	75.60
Macao	Pataca	10.62
Madeira	Portug'se Escudo	148.50
Malagasy Republic	MG Franc	554.50
Malawi	Kwacha	1.6590
Malaysia	Ringgit	3.610
Maldive Islands	Rufiyaa	11.53
Mali Republic	Mali Franc	1,107.5
Malta	Maltese £	0.648
Martinique	Local Franc	11.075
Mauritania	Ouguiya	81.50
Mauritius	M. Rupee	16.88
Mexico	Mexican Peso	(F)226.51
		150.25(2)
Miquelon	Local Franc	11.075
Monaco	French Franc	11.075
Mongolia	Tugrik	(o)4.79 (ll)
Montserrat	E. Caribbean	4.109
Morocco	Dirham	9.61(sg)
Mozambique	Meticas	N/A
Nauru	Australian Dollar	1.757
Nepal	Nepalese Rupee	20.09
Netherlands	Guilder	4.1575
Netherland Antilles	Antillian Guilder	2.7333
New Zealand	N.Z. Dollar	2.3225
Nicaragua	Cordoba	15.28
Niger Republic	C.F.A. Franc	553.75
Nigeria	Naira	1.078196(sg)
Norway	Norway Krone	10.94
Oman Sul'ate of	Rial Omani	0.526
Pakistan	Pakistan Rupee	19.40
Panama	Balboa	1.5270
Papua N. Guinea	Kina	1.2720
Paraguay	Guarani	(O)191.65
		(F)243.60

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peru	Sol	exc(A)1,925.40
Philippines	Philippine Peso	14.70
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.3225
Poland	Zloty	127.5
Portugal	Portug'se Escudo	148.5
Puerto Rico	U.S. $	1.5270
Qatar	Qatar Ryal	5.54
Reunion Ile de la	French Franc	11.075
Romania	Leu	(Cm)6.68
		(N/C)18.52
Rwanda	Rwanda Franc	159.87
St. Christopher	E. Caribbean $	4.109
St. Helena	St. Helena £	1.0
S. Lucia	E. Caribbean $	4.109
St. Pierre	Local Franc	11.075
St. Vincent	E. Caribbean $	4.109
Salvador El	Colon	3.81
Samoa American	U.S. $	1.5270
San Marino	Italian Lira	2,201
Sao Tome & Prin	Dobra	53.55
Saudi Arabia	Ryal	5.25825
Senegal	C.F.A. Franc	553.25
Seychelles	S. Rupee	9.96(sg)
Sierra Leone	Leone	(Cm)3.56
		(O)1.80
Singapore	Singapore $	3.205
Solomon Islands	Solomon Is. $	1.7055
Somali Republic	Somali Shilling	23.17
South Africa	Rand	1.67375
South West African Territories	S. A. Rand	1.67375
Spain	Peseta	206.65
Spanish ports in North Africa	Peseta	206.65
Sri Lanka	S. L. Rupee	34.60
Sudan Republic	Sudan £ (u)	2.0091
Surinam	S. Guilder	2.7533
Swaziland	Lilangeni	1.67375
Sweden	S. Krona	11.415
Switzerland	Swiss Franc	3.125
Syria	Syria £	(A) (T)10.00
		(CM)6.23
Taiwan	New Taiwan $	61.10
Tanzania	Tan. Shilling	14.58
Thailand	Baht	34.85
Togo Republic	C.F.A. Franc	553.75
Tonga Islands	Pa'anga	1.7065
Trinidad	Trinidad & Tob. $	3.5648
Tunisia	Tunisian Dinar	0.9450 (sg)
Turkey	Turkish Lira	308.11
Turks & Caicos	U.S. $	1.5270
Tuvalu	Australian $	1.757
Uganda	Uganda Shilling	170.0
		417.5
United States	U.S. Dollar	1.5270
Uruguay	Uruguay Peso	49.37
Utd. Arab Emirates	U.A.E. Dirham	5.59425
U.S.S.R.	Rouble	1.0982
Upper Volta	C.F.A. Franc	553.75
Vanuatu	Vatu	148.5
Vatican	Italian Lira	2,201
Venezuela	Bolivar	(4) 6.55
		(5) 9.16
		(6) 13.70
Vietnam	Dong	(O)3.3180
		(T)3.63(ll)
Virgin Island U.S.	U.S. Dollar	1.5270
Western Samoa	Samoan Tala	(A)2.3750
Yemen (Nth)	Ryal	6.91(sg)
Yemen (Sth)	S. Yemen Dinar	(A)0.5255
Yugoslavia	New Y Dinar	116.4696
Zaire Republic	Zaire	6.852197
Zambia	Kwacha	1.80
Zimbabwe	Zimbabwe $	1.4840

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupee per pound. ** Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. ‖ Based on gross rates against Russian rouble. (1) Essential goods. (2) Controlled rate for priority imports such as foodstuffs. (3) Non-essential imports and private sector applicants. (4) Preferential rate for public sector debt and essential imports. (5) Government controlled for non-essential imports. (6) Free rate for luxury imports, remittances of money abroad and foreign travel.

BIDS AND DEALS

Davenports forecasts sharp increase

Davenports Brewery, the only independent brewery operating in Birmingham, has urged its shareholders to reject a takeover bid by Wolverhampton & Dudley Breweries.

In a rejection document sent to shareholders Davenports forecasts a sharp increase in profits and dividends in an effort to gain shareholders' support in its attempts to fight off the bid.

The board forecasts a 28 per cent increase in trading profit to £2.1m for the year to October 1 1983, compared with £1.63m in 1981 and 1982. In addition, it anticipates that the surplus on the sale of properties for the current financial year will exceed £600,000 which should result in a net profit before tax of £2.7m for the year.

"The Wolverhampton & Dudley offer does not reflect this improved financial performance and materially undervalues the potential of Davenports," the group tells shareholders.

On the strength of the anticipated profits growth, the Davenports board intends to recommend an 80 per cent increase in dividend payments from 4.66p per share in 1981-82 to 8.4p per share in the current year.

Davenports says in its circular that the turnover and profits in the first five months of the current financial year are substantially up on the same period in the previous year.

Caparo set to launch £8m offer for Barton Group

BY DAVID DODWELL

Caparo Industries, the steel stockholding, industrial services engineering and property group, yesterday announced plans to mount a £7.9m bid for Barton Group, the Birmingham-based tubing, industrial services and engineering group.

The cash offer, worth 33½p a share, was triggered when Caparo agreed to buy from Staveley Industries its 10.5 per cent stake in Barton. Since Caparo already held a 20.5 per cent stake in the company, this latest purchase pushed it above the 30 per cent point at which a full bid becomes mandatory.

Caparo shares closed unchanged on the day at 27p—as did Barton's shares at 32p—because the bid was not announced until after the end of trading.

No executives at Barton were available yesterday evening to suggest whether the approach from Caparo would be welcome or not. Similarly, brokers Laing and Cruickshank said they had not had opportunity to discuss a response with the company.

Pre-tax profits at Barton fell to £400,000 in 1982. In 1981, the figure was £1.03m. Turnover fell from £49.3m to £47.4m over the same period.

Caparo has strong common links with Barton. Both are in the area of steel manufacture, and both are based in the Birmingham area.

Staveley has been keen to dispose of its holding in Barton for some time. The original reason for acquiring the stake was that it had a subsidiary of its own which like Barton made steel abrasives. This subsidiary was sold to Wheelabrator-Allebard in mid-1980, undermining the need to keep the Barton stake.

A spokesman for the company said yesterday that Staveley had been content to hold the shares while returns on the investment were steady. But in the recent past, with a fluctuating share price and continuing depression in the engineering industry, returns had been erratic.

With the £850,000 it is likely to raise from the sales of its shares to Caparo, and earnings from its recent sale of Peakstone, Staveley's borrowing levels have fallen to a level where it is actively considering acquisitions of its own.

Caparo was given just an hour to decide whether or not to accept the Stavely stake and mount a full bid. Mr Sivraj Paul, the company's chairman, said that while the bid is solely a cash one at present, over the coming week a share offer may be offered as an alternative.

"If shareholders accept the offer, then I am happy. But if they do not, then I am equally happy, because I have a substantial stake in a company that has common activities and is well run."

He saw a possibility of rationalising the businesses of the two companies in the Birmingham area. He insisted that this would not mean redundancies, simply a saving in overheads.

Caparo has been one of the more predatory companies on the stock market in recent months. In February, it completed an agreed £2.5m bid for E. Austin the loss-making Hertfordshire forklift truck maker. This came just a month after the purchase for £250,000 of Ralph and Co (Birmingham), a private steel stockholding company.

In November, it bought Harlock, which manufactures fork-lift trucks, for £400,000.

In addition, it at present holds stakes ranging from 5 to 10 per cent in three other companies—Brockhouse, Richardson Westgarth, and Arthur Lee.

British Vita joint venture

BY DAVID DODWELL

British Vita, which makes foam, plastic and rubber compounds, has set up a joint venture in Finland with Espe Oy to manufacture industrial fibre waddings mainly for the garment and upholstery industries.

The joint venture company, for which a £1.1m plant designed by Vita will be installed by September, will be called Vitavanu Oy. It will be based within Espe's main manufacturing complex at Kouvola.

Espe Oy manufactures almost 90 per cent of Finland's output of polyurethane foam, for which it operates one of the most modern plants in Europe. Shell has a majority stake in the company.

Vita—through its Belgian subsidiary Libeltex—and Espe Oy are the two main suppliers of wadding to the Finnish market, and the new joint venture will take over their markets. Combined sales are at present worth about £1.25m, but are expected to be somewhat higher than that by the time production starts at Vitavanu Oy.

British Vita will be investing £200,000 in the new venture, and will be responsible for all technical planning and product development. It will have a 33 per cent shareholding in the company.

Espe Oy will for its part be investing over £400,000. A further £1m of loans has been raised to cover the cost of plant building and start-up costs.

Apart from supplying the Finnish market, British Vita hopes the new venture will use its Finnish base to boost sales of wadding into the Soviet Union.

Sales of wadding to Finland have traditionally accounted for about 10 per cent of the output of Libeltex in Belgium. However, Mr Duncan Lawton, a director of Vita who will join the board of Vitavanu Oy, said yesterday that rapid sales growth to motor markets in Asia is expected to make up for the loss in sales to Finland.

C. H. BEAZER/ SECOND CITY

Acceptances of C. H. Beazer's offer for Second City Properties have been received from holders of 9,175,888 Second City shares, representing 39 per cent.

Beazer is, through a subsidiary, beneficially interested in 3,532,276 shares (14.98 per cent) and its interest, including acceptances under the offer, therefore amounts to 12,708,145, or some 54 per cent.

The offer is now declared unconditional as to acceptances.

INTERNATIONAL PAINT

International Paint has formed a joint venture in Saudi Arabia with Yusuf Bin Ahmed Kanoo for the manufacture of International's range of marine and protective coatings and industrial finishes. International will hold 40 per cent of the new company, International Paint Saudi Arabia.

JAMES H. DENNIS SALE AND LEASEBACK

James H. Dennis has entered into an agreement with Trafford Borough Council whereby the Council has acquired, for a consideration of £420,000, a 999-year leasehold interest in the company's freehold premises and granted to Dennis a 27-year lease.

The principal terms of the sale and leaseback agreement are that after a two-year rent-free period, the company will pay a rental of £70,000 per annum, payable quarterly in arrears and reviewable at five-yearly intervals. The first review date will be April, 1990.

An additional premium rental shall be paid annually based on a sum of 4 per cent of the profits available for distribution to ordinary shareholders. The first premium rental will be payable based on the result for the year ending March 31, 1984.

Dennis will have an option under the sale and leaseback agreement to re-acquire the long leasehold interest at any time during the period of the lease for a consideration of six times the basic rental applicable at the date the option is exercised.

KEEN AND SCOTT/ ALPINE HOLDINGS

Keen and Scott's offer for Alpine Holdings has been declared unconditional and will remain open until further notice. The cash offer has closed. Acceptances to the offer totalled 77 per cent of the ordinary shares.

PONTIN'S

Windsor Caravan Park at Pendine Sands, Carmarthen, South Wales, has been acquired by Pontin's, the UK holiday division of Bass.

The 45-acre site includes a caravan park with facilities for 463 caravans, 80 tent pitches and 18 holiday chalets.

The Windsor Caravan Park will retain its name and bookings already accepted are fully secured. Tariff prices will remain for the 1983 season as already published. The season starts on April 2 1983.

NO PROBE

The proposed merger between Dobson Park and Fletcher Sutcliffe will not be referred to the Monopolies and Mergers Commission.

PETER BROTHERHOOD

Terms of the offer by Thermo Electron Corporation for the preference shares of Peter Brotherhood have been agreed. They are: for each 5½ per cent (now 3.85 per cent plus tax credit) share 55p in cash. Terms for the ordinary shares are already known. The preference offer is conditional upon 90 per cent acceptance or such a percentage that the bidder may decide to accept.

SHARE STAKES

The Ailsa Investment Trust—The Possfund Nominees has reduced its holding to 1,576,644 ordinary shares (3.1 per cent).

The Fleming Japanese Investment Trust—The Standard Life Assurance Company has sold 50,000 ordinary shares reducing its holding to 746,000 shares (4.952 per cent).

Trident Television—Kitcat and Aitken, on behalf of Pleasurama, have purchased 150,000 Trident Television "A" non-voting shares of 10p at 98p each.

Electronic Rentals Group—Mr S. R. H. Williams has sold 25,000 ordinary shares.

London and Manchester Securities—Mr J. D. F. Collett, a director, has disposed of 120,000 ordinary shares.

Edinburgh Investment Trust—James Capel and Company as advising brokers and on behalf of a discretionary client, has bought 100,000 ordinary shares at 90p each.

Town and City Properties—B. D. MacPhail, a director, has sold 39,160 ordinary shares to facilitate the exercise of an option on 150,000 ordinary. His holding has been increased to 881,000 shares.

Ferranti—Basil Reginald Vincent Ziani De Ferranti, a director, has disposed of 383,000 ordinary shares reducing holding to 2,379,750 shares (2.78653 per cent).

Croda International—Richard Mark Horsley Heseltine, a director, has sold 55,000 deferred ordinary shares.

S and U Stores—D. M. Coombs, chairman, has purchased 114,300 ordinary shares and 15,000 partly paid shares.

Forminster—Because of the establishment of a separate pension scheme for British Telecommunications, the Post Office Staff Superannuation Fund no longer has a notifiable interest in the ordinary shares.

Arthur Guinness and Son—Finn B. Guinness, on appointment as trustee of Lord Moyne's Charitable Trust, has acquired 125,530 ordinary shares increasing his interests to 3,585,895 ordinary stock units.

RFD Group—A. G. Macpherson, a director, has purchased a total of 29,000 ordinary shares.

London and Continental Advertising Holdings—Following the disposal of 135,000 ordinary shares, D. J. Comino is interested in 665,000 ordinary shares and Mrs K. Comino is interested in 200,000 ordinary.

Oil and Gas Production—Following a recent purchase of 500,000 partly paid shares, Miss Eldine Racle holds 2.5m shares (5.95 per cent).

Guinness Peat Group—M. Hoffman has acquired an interest in 150,000 new ordinary shares; R. A. W. Caine has disposed of his right to 14,618 ordinary shares; G. C. Greens has disposed of his right to 40,540 ordinary shares.

Ultramar—E. K. O'Shea, a director, has purchased a total of 40,000 ordinary shares, increasing holding to 53,251 and leaving his non-beneficial interest unchanged at 9,019 shares.

G. M. Firth (Holdings)—I. H. Wasserman, chairman, has purchased 25,520 ordinary shares increasing holding to 645,000 shares (21.58 per cent).

Rowntree Mackintosh—D. Le Grove is interested in 42,500 second preference shares (5.25 per cent).

Moben Group—London Trust no longer holds 5 per cent or more of the issued share capital.

Ladies Pride—Following purchases of a further 135,000 shares, total holding by Esal (Commodities) is now 862,750 (10.15 per cent).

Fleming Mercantile—United Kingdom Temperance and General Provident Institution has disposed of its total holding of ordinary shares.

Albert Fisher Group—A. B. Millar, chairman, has purchased through Airstar, a company controlled by him, 50,000 ordinary shares. Mr Millar is now interested in 1,658,001 shares (19.72 per cent).

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	135	+1	0.4	4.7	7.9	10.3
158	117	Ass. Brit. Ind. CULS	151	+1	10.0	6.6	—	—
74	57	Airsprung Group	62	—	6.1	9.8	17.7	17.7
46	30	Armitage & Rhodes	30	—	4.3	14.3	3.3	5.9
315	197	Bardon Hill	316	—	11.4	3.6	13.2	16.7
140	100	CCL 11pc Conv. Pref.	140	+1	15.7	11.2	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
66	52	Deborah Services	52	—	0.0	11.5	3.4	0.3
96	77	Frank Horsell	96	—	—	—	0.0	8.6
94½	75½	Frank Horsell Pr Ord 87	94½	—	0.7	8.2	10.5	11.3
83	61	Frederick Parker	62	—	7.1	11.5	3.9	0.2
55	34	George Blair	34	—	—	—	5.8	12.3
100	79	Ind. Precision Castings	79	+1	7.3	9.2	10.1	12.7
158	100	Isis Conv. Pref.	158	+2	15.7	9.9	—	—
143	94	Jackson Group	142	—	7.5	5.3	4.4	8.0
204	111	James Burrough	204	—	8.8	4.7	14.9	18.6
260	148	Robert Jenkins	154	—	20.0	13.0	1.8	24.4
83	54	Scruttons "A"	71	+1	0.7	8.0	8.2	11.1
167	112	Torday & Carlisle	114	—	11.4	10.0	5.1	0.7
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	64	Walter Alexander	65	—	0.4	9.8	4.0	8.7
270	214	W. S. Yeates	263	+1	17.1	0.5	4.0	8.4

	Half year to 15.2.83 (unaudited)	Half year to 15.2.82 (unaudited)
Net Revenue from Properties	£3,263,265	£2,717,239
Other Income	443,261	650,596
Interest paid and Admin. Expenses	632,086	593,689
Group Profits before Taxation	3,074,440	2,774,146
Available for Dividend	1,587,419	1,499,473
Dividend—Interim	1,454,902	1,322,497
Carried to Reserves	132,517	176,976

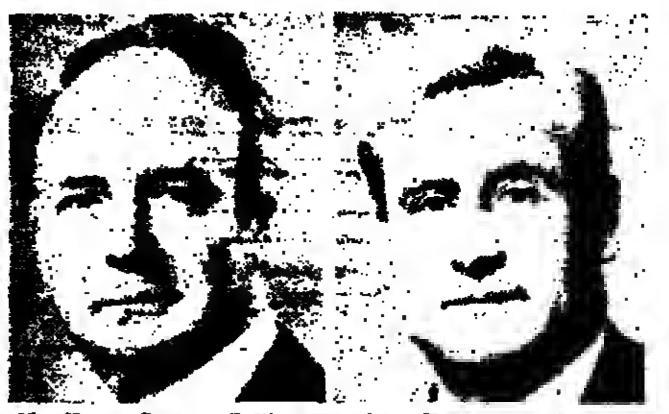
APPOINTMENTS

Men on the move at Wimpey group

FOLLOWING the promotion of Mr C. J. Chetwood to the post of chairman designate and chief executive of GEORGE WIMPEY two senior posts he held have now been filled.

Mr Anthony M. Coane has been appointed managing director of Wimpey Construction UK, the group's UK contracting arm. He joined Wimpey in 1955 as an engineer at Birmingham. He subsequently became regional manager at Bristol and then general manager in the London region. Since his appointment to the board of the parent company, George Wimpey, in 1973, he has been responsible for a number of the UK regional organisations and became a director of Wimpey Construction UK on its formation in 1979. In recent years he has held main board responsibility for the technical aspects of UK private housebuilding.

Mr R. Nelson Oliver becomes chairman of Wimpey Homes Holdings, the group's UK private housing arm. He joined Wimpey as an engineer in 1960, was appointed regional manager at the Witham office in 1972 and subsequently promoted to director of Wimpey Construction UK. He became a director of the parent company, George Wimpey, in January 1979, and has been managing director of Wimpey Homes Holdings since December 1981.



Mr Tony Coane, (left) managing director of Wimpey Construction UK, and Mr Nelson Oliver (right) chairman of Wimpey Homes Holdings

★

Mr David Pickles has been appointed director and general manager of the Ashworth's division of THOMAS ASHWORTH part of the Barco Dean Industrial Group. He will be responsible for the Ashworth foundry, the "speedy" moisture tester, and the Ashworth leisure range of garden furniture and accessories.

★

NOMURA INTERNATIONAL, a subsidiary of a Japanese investment house has promoted three of its UK staff to associate director. Mr Giancarlo Soliani, Mr Robert Rodwell and Mr Keith Porter are all dealers in Nomura's London office. This is thought to be the highest rank achieved by UK staff in a Japanese financial house in the City.

★

PATEY DOYLE (PUBLISHING) has appointed Mr Andrew Adams to the board. For the past year he has been running Media Research Consultancy, part of the J. Walter Thompson Group.

★

Mr Leslie Fairweather, editor of The Architects' Journal, has appointed a director of THE ARCHITECTURAL PRESS. He continues as editor of the AJ.

★

Mr Vic Lent has been appointed international sales manager—voice products—by STC BUSINESS SYSTEMS, formerly ITT Business Systems. He will be responsible for sales of digital telephone systems worldwide. He began his career in telecommunications 20 years ago as an apprentice with Post Office Telecommunications.

★

Mr Clinton E. Geiser will retire in June as managing director and chief executive of SWISS REINSURANCE CO (UK), but will continue as a non-executive director and chairman. The role of chief executive will be assumed by Mr Brian T. G. Prevost, director and general manager.

★

NatWest chief economist

Mr David Kern has been appointed manager and chief economist, market intelligence department, of NATIONAL WESTMINSTER BANK, to succeed Mr Bob Stevenson on his retirement on April 30. Mr Kern has worked as a senior economist in the bank since 1969. He has been in charge of the economic analysis and statistics sections for the past nine years and since 1980 he has also been manager of the international section.

★

Mr Brian Iverson, formerly head of publicity and promotions with ICL, has joined DBA COMPUTER SERVICES as marketing director.

★

Mr Edward Knotwell has been appointed financial director of CASTELL SAFETY TECHNOLOGY, Halma Group subsidiary specialising in industrial safety systems. He is responsible for financial control of Halma's safety division which comprises Castell Safety Technology and its manufacturing and marketing subsidiaries in the UK, Holland, France and the U.S. He was formerly with an Eli Lilly Corp. subsidiary, where he was controller of European operations.

Mr Peter Wilkins has been appointed a director of HAMBROS BANK from April 6.

★

Mr Stephen Whitehead has been appointed managing director of C. HOWARD AND PARTNERS, part of Edward Lumley Holdings.

★

Following the promotion of Mr Fred Mobbs to vice-president, South Europe operations, CONTROL DATA has appointed Mr Lyle Davidson its UK managing director. Mr Mobbs' new position will cover the UK as well as France, Spain, Portugal, Italy and Israel. Mr Mobbs held various marketing management positions in the Far East and Europe before being appointed UK managing director in January 1981. Mr Davidson joined Control Data in 1962.

★

Mr Peter Shapcott has been appointed to the new post of director for regional affairs at the NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS. His responsibilities will concentrate on co-ordinating and developing regional work. He also assumes responsibility for developing policy and advice for smaller firms and for the work of the National Committee for Smaller Builders. He has been director of the British Woodworking Federation since 1979, and is succeeded by Mr Douglas E. Hall, secretary since 1976.

★

Mr Eric Wright, managing director Craigmillar division of Van den Berghs & Jurgens, has been elected president of the MARGARINE AND SHORTENING MANUFACTURERS' ASSOCIATION. Mr Charles Blacow, general manager of Merseyside Food Products, and Dr Ellis Wright, managing director of Rowallan Creamery, were elected vice-presidents.

Mr Peter W. Bickerton has joined MANUFACTURERS HANOVER as an associate director in the corporate finance department. Previously he was deputy chairman and deputy managing director of Sime Darby London.

★

Mr William Forrest, former deputy director, North Yorkshire Area, NCB, engineer in charge of the Selby Coalfield Project, and a past president of the Institution of Mining Engineers, has been appointed a consultant to MINDEV and has joined the board of a subsidiary company.

★

Mr John H. Prescott has been appointed sales and marketing director of HARRY HALL, BLADEN AND PHILLIPS & PIPER, Austin Reed Group's riding and country wear division.

★

The ASSOCIATION OF OFFSHORE DIVING CONTRACTORS (AODC), which represents the interests of all the major diving contractors and submersible operators in the North Sea, has appointed Mr Crawford Logan as its first full-time technical secretary. The appointment has been made because of the increasing involvement of AODC in the preparation of Safety Guidelines and other technical documents for underwater operations. Mr Logan was with Seaforth Engineering.

★

The BUE Group has appointed Mr Barry Moore as managing director of its acquisition, KO MARINE. He joins from Wharton Williams where he was operations manager.

★

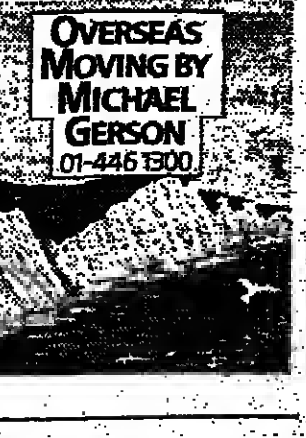
CPU COMPUTERS has appointed Mr John Penrose as financial director. He was at Hewlett Packard for 20 years, rising to be group finance manager.

Senior post at Bank of America

BANK OF AMERICA has appointed senior vice-president Mr Robert A. Belanger as head of its UK, Ireland and Nordic area and also manager of its London branch. He succeeds senior vice-president Mr Richard senior vice president Mr Richard L. Saalfeld, who has been promoted to executive officer, private banking-worldwide at the bank's head office in San Francisco. Mr Belanger was previously head of the eastern area office of the bank's North America division.

TECHNOLOGY

EDITED BY ALAN CANE



BMW MAKES DRAMATIC SAVINGS IN ITS SERVICING COSTS USING ON-BOARD MICROS

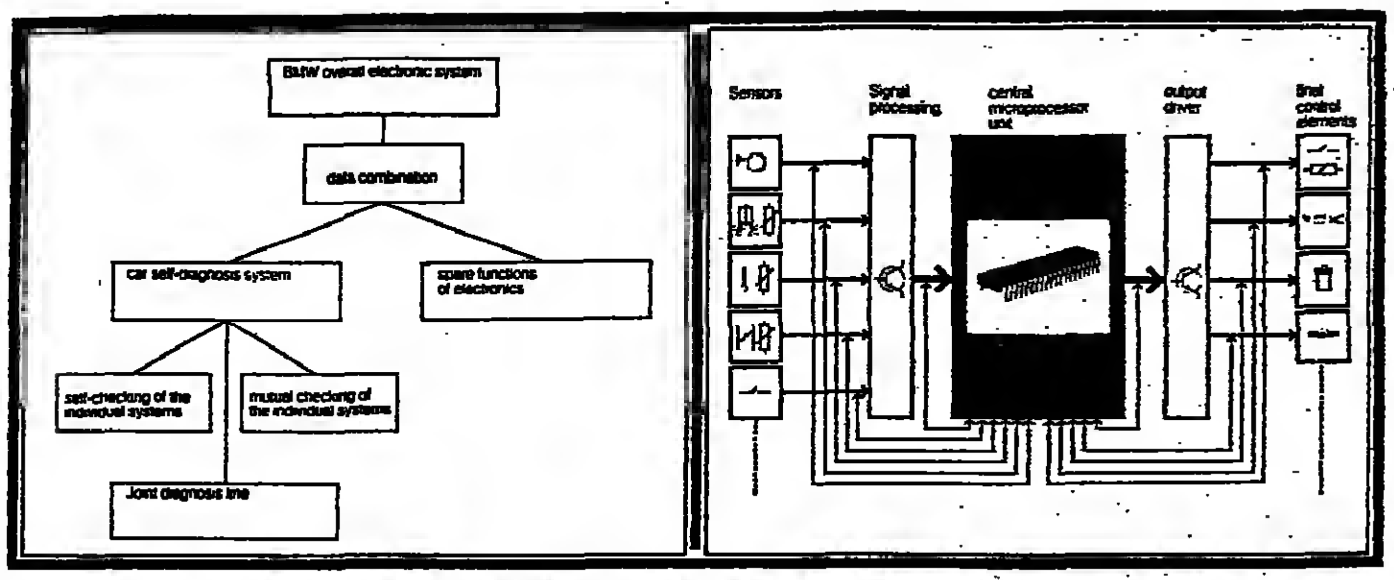
The tiny computers that watch over cars

BY JOHN GRIFFITHS

BMW of West Germany expects that from 1986 onwards its cars will require only 40 per cent of the servicing needed now, with the interval between services—except for oil changes—increasing te as much as 50,000 kilometres.

The basis of this belief lies in cemputerised systems, already installed in test vehicles, in which the vehicle will diagnose its own faults, and by-pass them if necessary with "fail-safe" systems. Computers based at service eutlets will extract information from the car's microprocessor system to evaluate the degree of wear in all main components, and how long they are likely to last without the need for servicing.

The aim, according to Dr Welfgang Flohr, head of customer service, "is to make preventative maintenance a thing of the past."



How the electronics keeps an eye on the car components

The implications are far-reaching, both for vehicle owners and BMW's own dealer networks.

In the case of the latter, service turnover bas already been reduced by DM 60m a year as the result of previous changes. Since the introduction on its cars of an on-board computerised service interval indicator in July, 1981, the average service interval, says BMW, has already increased by 55 per cent to 23,000 kilemetres, and oil change intervals to 11,500 kilometres.

This means that dealers will have to rely on optimising their areas of the business: new and used car sales, and accessories (BMW recently established a "boutique" business for things such as clothing, for example).

Currently, "few dealers optimise the accessories business," acknowledges Dr Kerlheinz Radermacher, BMW's head of research and development. "But we have already discussed this with our dealer networks. They understand the pbilosophy and they accept that BMW cannot stop making progress on reducing service intervals just in order to suit dealer turnover."

The service interval indicator marks the end, fer BMW, of fixed interval servicing. Instead, sensors monitor oil condition, driving habits and conditions, spark plugs and other items.

A dashboard display of green lights progressively changes to red as the actual need for servicing grows. The thinking behind the system was that a car used mainly for stop-start motoring in urban conditions will need servicing much more frequently than one used mainly for fast, long-distance work where the engine is operating most efficiently. So it has proved.

The maintenance requirement on BMWs has already dropped to 71 per cent ef that prevailing in 1977.

The ability to reduce this by a further 60 per cent by 1988 at the latest (the first car to be fitted with the system will be the new large "7" series model planned for 1986-87) depends on changes both within the car and the service outlet, where additions to—though not replacement of — service outlets' existing computerised diagnostic equipment will be needed.

In the broadest terms, the cars will be festooned with sensors on all wearing components; they will provide information to microprocessors, and these will be linked in what might best be described as a "ring main." The whole system will be capable of diagnosing its own faults, setting up fail-safe "bypass" systems in the event of a component failure and, when plugged into the service outlet's computer, will provide an instant readout of what needs servicing and how long other components are likely to last.

Indicator

For example, if the service interval indicator is showing a service is due simply because of the state of the spark plugs, the service outlet'a computer will print out the parts, and their cost, which weuld not last up to the mileage that the spark plugs could expect to need replacing again.

In case of irregularities in the system, no individual tests of components will be needed because of the on-board self-diagnosis system.

The system gets round one of the traditional major drawbacks of traditional servicing—in that an owner will no longer need to be interrogated about the nature of defects, or test drives to assess a problem undertaken.

The reason for not following such a route in the past has simply been lack of development of the necessary electronic components.

But as Dr Radermacher points out, such has been the pace of progress in electronics that the cost of introducing the extra intelligence required is now very little, and the far mere extensive array of sensors needed will also add an insignificant amount to costs.

In the case of the self-diagnosis system, sensors attached to many components, from spark plugs to brake discs and shock absorbers supply different signals — generally, frequency, resistance and voltage. These are converted into uniform digital information for on-board microcomputer processing. A multitude of inputs are reduced to one information line in order to use commercially available microprocessors for the system connections.

A software comparison ef the input signals with known reference values stored in the microprocessor memory permits checking and electronic control of the functioning of the sensors, sensor line and signal processing circuit. A comparison with other sensor signals also permits evaluation of the correctness of signals being received.

Procedures for output signals from the microprocessors are basically the same. The driver electronics, connections to final control elements and the final control elements themselves are checked by applying a test current.

If an electronic unit fails completely, however, due to interruption of the supply voltage or microprocessor damage, self-checking is no longer possible. In that event, another major element in the concept becomes operative.

This is a "mutual checking" process, whereby engine, instrument and central controls are interlinked by a supplementary test line.

So if faults occur, they are located by either system and stored in a diagnostic file. The result of the diagnosis is then available on a joint diagnosis line and can be queried for further evaluation via the onboard diagnosis plug at a service outlet.

In practical terms, the system means that if a fault is found anywhere in the input system, such as with a sensor, a suitable replacement value for the sensor signal is generated in the central processor. Without such a system, some vital operations could not be guaranteed (for example failure of the airflow meter in digital engine electronics).

Prevention

In the case of a fault on the output side, the system could, for example, switch off the heater/air conditioning in the event of a servomotor short-circuit in order to prevent electronics damage.

And if mutual checking indicates failure of a central processor, the fail-safe mechanism allows a simplified back-up system to be switched on.

BMW contends that increased use of electronics, even on the scale envisaged for its own products, is not necessarily accompanied by a lower level of reliability or possible service problems, provided the right development strategy is followed.

It needs to be wholly correct in this assumption. For the onboard sytems proposed would appear to take the BMW, after 1986, well beyond the ability of the average roadside garage to repair.

Materials

Getting ground down

A LABORATORY belt grinder, purpose built for the rapid coarse grinding of metallographic and spectrographic samples and believed to be the first of its type from a European manufacturer, has been introduced by Metallurgical Services Laboratories of Brockham, Betchworth, Surrey (073 784 2727).

Known as Metaserv, the belt grinders are available in two basic versions, the C1850 and C1852. The former is designed for wet or dry grinding and can be used with a normal water supply or separate recirculating coolant system.

The C1852 is intended mainly for the preparation of spectrographic samples as a dry grinder only and can be connected to a vacuum type dust control system. The 100mm wide abrasive belts run over stainless steel surface plates while the complete units are 520mm wide, 600mm deep and 270mm high.

The silicon carbide and aluminium oxide cloth belts are available in a range of grit sizes from 60 to 400. Units cost £675 for the C1850 and £650 for the second model. The coolant recirculating system is available with pump, settling tank, cable and hoses at £180 and the vacuum dust control system at £148.

The company says it expects considerable overseas interest particularly in North America, and has arranged for the units to be available from the Metlab Corporation in Niagara Falls and from Micro Metallurgical in Thornhill, Ontario.

Micros

Toshiba's new range

Now available from Dialogue Distribution is the Toshiba family of 8 bit microprocessors and microcomputers. The company says that this includes the TLCS-85A microprocessor made in nmos technology which is compatible with the Intel 8085A. More information on the range is available on 0276 682001.

Data

Distributed system

NORTHERN Telecom has launched a distributed data system the model 555 which is designed to handle both data and word processing applicatiens. It supports up to eight data stations, either local or remete, and up to eight printers. Altogether the system has 448 kbytes of main memory, plus 22 Mbytes of Winchester disc storage. Mere details are available on 05827 63161.

Plastics

Novel hole punch device

A NOVEL pneumatic automated hole-punching system, already in use by plastic manufacturers in several countries, has been developed by M.A.L. Industrial Automation Systems (POB 301, Kfar Saba, 44102, Israel. Telex Mal 342532 IL).

In contrast to the standard "stop and go" hole-making procedure, the new device, which can be installed as an accessory unit on almost any type of existing machinery, makes "holes on the fly" in almost any type of film or foil of plastic, paper, aluminium, etc.

The punching speed is up to 85 strokes per second, with the material moving at up to 300 metres per minute, making hole sizes of from 3-160 mm. The moving ball touches the material for just .0001 seconds thus avoiding excessive wear or cutting of the material surface. The company is now setting up a network of agents abroad.

Displays

Plasma for terminals

THE DISPLAYS division of Burroughs OEM Marketing has launched a 400-character gas plasma display panel for use in data terminals. The display has an 80-column format and are suitable for alphanumeric and graphics displays.

The company says that a 2,000-character version is also to be introduced with a thickness of only 2 inches. More details on Rickmansworth 70545.

Machines

Getting all tied up with Mosca

FIVE versions of the West German manufactured Lawco-Mosca range of non-metallic strapping and string tying machines are now available from Lawtons Strapping Division, 60, Vauxhall Road, Liverpool (051 227 1212).

The new range offers up to 34 strapping cycles per minute wth a facility for polypropylene strappnig between five and 133m wide. Price is £3,950 but leasing or short term hire arrangements may be made.

AEROSPACE

Materials in flight

BY MAX COMMANDER

THE UNDOUBTED success of the Harrier in the Falklands conflict has probably spurred McDonnell Douglas in the U.S. to step up its technology at its St Louis plant to improve deliveries of the AV-8B Harrier II version which is to go into service with the U.S. Marine Corps.

The vertical take off aircraft is composed of 26 per cent composite material which is strong and lightweight and replaces conventional metal structures.

The aircraft company needed a bigger and more efficient cutting machine for the advanced carbon-epoxy composite material and has recently installed at the St Louis plant a machine designed and manufactured by Gerber of Hartford, Connecticut, which can speed up cutting of the material by about 25 per cent.

Mr R. J. Pancio, McDonnell's equipment processing engineer, says: "The new computer controlled machine can cut more than 1,000lb (340.2 kg) of aircraft material per day compared with 750lb (340.2 kg) on the older machine. The increased capacity means that we can now cut more than 100 parts for the AV 88 each day.

Gerber's cutter uses a reciprocating carbide knife to cut four to six layers of material at a time on a 24 hour cycle. The computer can store up te 50 cutting programs from 30 seconds to two hours in length and control the cutting patterns for mere than 500 aircraft parts.

The machine has been installed in a new McDonnell Douglas plant in St Louis which increases the present manufacturing site for composite materials from 220,000 square feet to more than 500,000 square feet, the biggest in the world for that type of operation, the company claims.

Deliveries of the Harrier to the U.S. marines will start at one a month later this year rising te a peak of five a menth by 1985.

Computers

TeleVideo's 16-bit computer

THE U.S.-BASED TeleVideo computer company, has announced that it is to enter the European market with two new 16-bit CP/M-based small business microcomputers.

One system, the TS1603, has a 1 megabyte floppy disc storage system and is capable of stand alone operation or connecting to a total of 16 machines in a network. The second machine to reach Europe is the TS1600, a low-cost work station. More information on these are available on 0908 668778.

LIGHTWEIGHT AXLE

Weight savings

RUBERY OWEN ROCKWELL will display its pre-production version of the 18,000 lightweight Tridem axle as the highlight of the company's stand at the IRTE conference in Solihull in the West Midlands on May 12 and 13.

Main feature of the axle for heavy goods vehicles is a new oil-filled bearing which, the company claims, will more than double maintenance intervals.

Weight savings have been made by the use of the bearing within an aluminium alloy hub which with a pre-set bearing adjustment allows the aluminium hub te be some 4 ins shorter than those using traditional components.

An additional feature, according te the company, is that an eutboard mounted brake drum can now be used on the Series III 420 x 150 mm brake so that maintenance can be carried out without disturbing the hub, bearing or seals.

Rubery Owen-Rockwell will also have on show details of the Neway Air Suspension System which can be used either as original equipment or when converting from tandem to tri-axle configuration.

More from the company at PO Box 10, Wednesbury, West Midlands (021 526 3131).

M.C.

CONTRACTS

£5.25m building work for Rush & Tomkins

Contracts worth £5.25m have been awarded to RUSH AND TOMKINS for a by-pass at Exminster, industrial nursery units for the GLC, Southwark and Newham Borough Councils and landfill work for the London Borough of Merton. Work has started on two design and build projects for the GLC and the boroughs of Newham and Southwark. These contracts, worth £586,000 and £1.07m respectively, are part of the local authorities' efforts to revitalise parts of the city and to encourage the creation of jobs. The bypass on the A379 for Devon County Council will re-route tourist traffic away from the village of Exminster. Construction will be 2.58 km of single 7.30 metres wide carriageway in flexible construction with associated earthworks, drainage and surfaces with a three-span 77 metres bridge with a steel girder composite deck.

Twenty-four "nursery units" at Crampton Road, Southwark, are being constructed by Rush & Tompkins on a design and build contract for £1m. The nursery units are designed to house start up and already established small businesses under the aegis of the London Borough of Southwark and the GLC. Work has started and completion is scheduled for December.

Thirteen industrial "nursery units" including a self-contained transport depot at Bradfield Road, Newham, are being built on a design and build contract valued at around £600,000. The nursery units range in size from 800-1,650 sq ft and the transport depot will be 1,750 sq ft.

*

The Electronics Corporation of India has placed an order with the power and water division of BABCOCK-BRISTOL—part of the Babcock Industrial and Electrical Products group—for the supply and installation of a computer-based data acquisition system worth over £760,000. The equipment is for the Ramagundam power station.

*

MEL DUNFERMLINE has obtained an order worth £600,000 for the electronics of a games and computer display assembly being produced and marketed by Mullard. The colour display assembly is available with 14, 16 and 20in tubes. It uses the Mullard AX Colourscreen tube and coil combination. The electronics incorporate a single switch power pack, which dispenses with the need for a bulky mains isolating transformer.

*

HILGER ANALYTICAL has received a contract worth £225,000 through Darwin Instruments, Cambridge, for the supply of amino acid analysis systems and atomic absorption equipment ordered by the Ministry of Education, Mexico. The equipment consisting of six Chromaspek amino acid analysers and five Atomspek atomic absorption spectrophotometers, is being supplied to seven different laboratories in Mexico City, Veracruz, Oaxaca and Merida. The instruments are to be used for work in food technology; general chemical and biotechnological investigations and metallography and materials testing. Training will be carried out on site. In Poland Hilger Analytical has won a £284,000 contract under a co-operative deal for the manufacture of tractors under licence to Massey Ferguson. The contract, being financed against a Barclays Bank International line of credit, is for two Polyvac computer-controlled automatic emission spectrometer systems which will be used for the analysis of cast irons and steels.

*

HARLOW BROS. of Loughborough, Leicestershire, has recently won overseas contracts totalling over £3.5m. The Kena Governorate in Egypt signed a contract to build a broiler chicken farm, value £790,500. The project comprises 10 buildings each 103 x 12 metres fitted for the production of 1m broiler chickens per year. Another Egyptian order, worth over $2.2m (£1.48m), has been placed by the Animal Production Islamic Company in Cairo for designing and building a laying farm to produce 30m eggs per year. An order worth almost £500,000 has been placed by the Oman Development Bank to build a broiler chicken farm at Sohar, Oman.

*

The Nestec Group has given Aylesbury-based building company NEWGATE the go-ahead to complete a 15,000 sq ft industrial and office project in Thame, worth £962,000. The two-storey traditional brick-built extension—linked to the existing building by a first-floor pedestrian bridge — will be completed in September.

*

TURRIFF CONSTRUCTION has been awarded a £690,000 contract by the Department of the Environment, Property Services Agency for the modernisation of 74 airmen's married quarters at RAF Wyton near Huntingdon for completion in 12 months.

*

MICHAEL BAKER CONTRACTS has been awarded a contract for the first phase of the conversion of Stouts Hill, Uley, Gloucestershire, into "time share" suites. The contract, which is in excess of £500,000, includes the restoration of the exterior of the main building, the refurbishment of the interior and the construction of nine self-contained luxury suites with a heated pool and dining facilities.

*

A contract worth £1.5m has been awarded to COSTAIN CONSTRUCTION by Caparo Properties for the construction of a six-storey headquarters office block, Caparo House, in Baker Street, London. Work involves the demolition of an existing building. The new brick-clad building will be of reinforced concrete framed construction on raft foundations. Work is due for completion by mid-1984.

*

APT CONTROLS—London-based UK suppliers of automatic car parking control systems — has won a £250,000 contract to equip the car parks at Birmingham's international airport. National Car Parks placed the order. This equipment offers automatic fee calculation, acceptance of coins, including £1 coins and notes, with change given, a range of management data for audit and analysis purposes. The system will be supplied and installed by APT Controls.

*

Renold Power Transmission's Brussels subsidiary RENOLD CONTINENTAL has been awarded a contract by Sperry New Holland of Zedelgem, Belgium, for agricultural conveying chain worth just under £225,000. Approximately 75,000 metres of Mark 5 conveying chain will be supplied for use in a variety of straw, grain and tailings elevators on Type 80 combine harvesters. The chain, complete with integral K and F attachments, will be manufactured at the Renold Conveyor Works, Burton-upon-Trent.

RESIDENTIAL PROPERTY

COMPANY NOTICES

UK Provident

Notice of Meeting

Notice is hereby given that the 142nd Annual General Meeting of United Kingdom Temperance and General Provident Institution will be held at United Kingdom House, Castle Street, Salisbury, Wiltshire, on Wednesday, 8th June 1983, at 11.15 am, for the following purposes.

1. To consider the documents comprised within the Report and Accounts for the year ended 31st December 1982.

2. To re-elect the following directors who retire by rotation in accordance with Rule 8.01:-
Mr. W. M. Clarke
Sir John Riddell, Bt.
Mr. J. G. Curtis

3. To re-appoint Messrs. Deloitte Haskins & Sells as the auditors to the Institution and to authorise the directors to fix their remuneration.

By Order of the Board
S. V. Finn
Deputy General Manager
(Property) and Secretary.
23rd March 1983

GENERAL MINING UNION CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON No. 117

Holders of Share Warrants to Bearer will receive payment on or after 21st April, 1983 at the rate of 71.76360p, the amount declared per share less 10.76454p being South African Non-Resident Shareholders' tax of 15% against surrender of Coupon No. 117.

Coupons must be deposited FOUR CLEAR DAYS for inspection before payment will be made:

In London: At the London Secretaries Office of the Corporation, 30 Ely Place, London EC1N 6UA.

In Paris: At Lloyds Bank International (France) Limited or Credit du Nord

In Switzerland: At Credit Suisse, Zurich, Union Bank of Switzerland, Zurich, Swiss Bank Corporation, Basle or at any of their branches.

Coupons belonging to holders resident in Great Britain and Northern Ireland will be paid as follows:

	Pence
Amount of Dividend after deduction of South African Non-Resident Shareholders' Tax of 15%	60.99906
Less: United Kingdom Income Tax of 15% on the gross Amount of the Dividend of 71.76360p	10.76454
	50.23452

Listing forms can be obtained on application to the London Secretaries.

per pro. GENCOR (U.K.) LIMITED
London Secretaries
L. J. BAINES

30 Ely Place,
London EC1N 6UA.
13th April, 1983.

NOTE—Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African Non-Resident Shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15 per cent instead of at the basic rate of 30 per cent represents an allowance of credit at the rate of 15 per cent.

The gross amount of the dividend required to be entered by the individual shareholder on any return for income tax purposes is 71.76360p multiplied by the number of shares held.

NEGIT S.A.

DIVIDEND NOTICE

Pursuant to a resolution of the Ordinary General Meeting of Shareholders, held on 8th March, 1983, a dividend of US$ 0.70 per share will be paid on 11th April, 1983, to all shares outstanding at 11th March, 1983.

Dividend cheques will be sent to registered shareholders.

Shareholders are being offered the option of reinvesting their dividends in new shares of the Fund at the Net Asset Value calculated on 11th April, 1983, without any further expenses. The number of shares issued as a result of exercising this option may be rounded either up or down upon the shareholders' instructions.

Instructions to exercise the reinvestment option should be received by Banque Paribas (Luxembourg) S.A., 10A Boulevard Royal, Luxembourg, Paying Agent, at the latest on 8th April, 1983. Balances resulting from the rounding shall be settled at the latest on 15th April, 1983.

For THE BOARD OF DIRECTORS.
The Secretary.

HORNE BROTHERS P.L.C.

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be closed from the 16th May to 31st May 1983, both days inclusive, for the payment of six months interest to 31st May 1983 on the 7¼% Unsecured Loan Stock 1995/2000 and the interim dividend of 2.45% on the 7% *Cumulative Preference* Shares for the half year to 28th February 1983.

By Order of the Board.
R. H. L. RUCKBY,
Secretary.

OFFICIAL NOTICE

The loss has been reported to us of the following Warrant: No. 221708 — 208 Ingots Zinc—4974 Kilos. Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods.
C. STEINWEG, N.V.,
P.O. Box 1068,
Willemskade 20,
Rotterdam, 2,
Netherlands.

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrant, and we have been asked to issue a duplicate Warrant: Warrant No. 275054 — BRAND: UAS 99.5% ALUMINIUM — Weight: 25,024 Kilos Nett. Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods, or the issue of a duplicate Warrant.
C. STEINWEG, N.V.,
P.O. Box 1068,
Willemskade 20,
Rotterdam, 2,
Netherlands.

REPUBLIC OF COSTA RICA

Floating Rate Note Issue of USD 20 million April 1978/85

The rate of interest applicable for the six months period beginning on April 13th 1983 and set by the reference agent is 10⅞% annually.

DOME PETROLEUM

US$75,000,000.- Floating Rate Notes due 1988

For the six months, April 7, 1983 to October 8, 1983, the Notes will carry an interest rate of 10¹⁄₁₆% per annum. The interest due October 7, 1983 against Coupon No. 4 will be US$517.80 and has been computed on the actual number of days elapsed (183) divided by 360.

The Principal Paying Agent
SOCIETE GENERALE
ALSACIENNE DE ...
Luxembourg Branch

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN KOMATSU LTD.

EDR holders are informed that Komatsu Ltd. has paid a dividend to holders of record December 31, 1982. The cash Dividend payable is Yen 4 per Common Stock of Yen 50.00 per share. Pursuant to the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 27 for payment.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A. R. of Egypt	F. R. of Germany	The Netherlands	Spain
Australia	Finland	New Zealand	Sweden
Belgium	France	Norway	Switzerland
Brazil	Hungary	Rep. of Korea	United Kingdom
Canada	Ireland	Romania	U. S. of America
Czechoslovakia	Italy	Singapore	Zambia
Denmark	Malaysia		

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after July 31, 1983.

Amounts payable in respect of current dividends.

Coupon No. 27 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1 share	$0.016666	$0.014166	$0.013333

Depositary:
Citibank, N.A.
336, Strand, London WC2R 1HB
April 13, 1983.

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF EXTENSION OF TIME LIMIT

L'Entreprise Nationale des Travaux aux Puits—2, rue du Capitaine AZZOUG—Cote-Rouge—Hussein-DEY—ALGER (ALGIERS)—ALGERIA—hereby notifies those Companies interested in the International Call for Tenders number 0323.1K/MF for the supply of:
—Spare parts for Lightnin agitators, models 324 THRU 336
—Spare parts for Lightnin agitators, models 52 THRU 86 (Gear Drive)
—Spare parts for Lightnin agitators, models 61 Q THRU 89 Q
that the closing date for this Call for Tenders, which was initially planned for 2/4/1983, has been extended to 30/4/1983.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER 9039.03/0D

The Entreprise Nationale des Travaux aux Puits is launching an International Call for Tenders for the supply of:

Item No 1—Cooking equipment
Item No 2—Baking equipment
Item No 3—Laundry equipment
Item No 4—Heating equipment
Item No 5—Electric storage heater and water heater
Item No 6—Refrigeration equipment
Item No 7—Cold storage containers

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits—2, rue du Capitaine AZZOUG—Cote-Rouge—Hussein-DEY—ALGER (ALGIERS)—ALGERIA—Department Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this Notice is published.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secretariat du D.A.T." (Supplies and Transport Department) at the above address.

The outer envelope should be completely anonymous, bearing no company insignia, and stating simply "APPEL D'OFFRES NATIONAL ET INTERNATIONAL Numero 9039.03/OD—Lot No ......—Confidentiel—A ne pas ouvrir" (National and International Call for Tenders Number 9039.03/OD—Lot No ......—Confidential—do not open).

Tenders should be sent to arrive by 1200 hours on Saturday, 14.5.1983 at the very latest.

Selection will be made within 180 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER 9047.03/0D

The Entreprise Nationale des Travaux aux Puits is launching an International Call for Tenders for the supply of:
Complete printing workshop

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits—2, rue du Capitaine AZZOUG—Cote-Rouge—Hussein-DEY—ALGER (ALGIERS)—ALGERIA—Department Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this Notice is published.

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PUBLIC NOTICES

THE BROKEN HILL PROPRIETARY COMPANY LIMITED

(Incorporated in the State of Victoria)

The Broken Hill Proprietary Company Limited announces that a half-yearly dividend at the rate of twenty-one cents per share (being at the rate of 21 per cent per annum on the issued capital of the Company) will be paid on 25th May 1983 in Australian currency. Resulting fractions of one cent in dividend entitlements will be paid to the next whole cent above.

The books' closing date fixed by the Company for the purpose of determining the persons entitled to the dividend is 22nd April 1983. Transfers will be accepted for registration until 5.00 p.m. on that date at the company's share registrars at the following addresses:

Australia.
Melbourne, 140 William Street.
Sydney, 20 O'Connell Street.
Adelaide, 41-47 Currie Street.
Canberra, Arthur Young and Company, 40 Marcus Clarke Street.
Hobart, Perpetual Trustees and National Executors of Tasmania Limited, 29 Murray Street.
Brisbane, 344 Queen Street.
Perth, 37 St. George's Terrace.

UK:
London, 14 Hanover Square.

Lillian Parkinson
THE MERCANTILE EXCHANGE
Melbourne

CITY OF DUNDEE DISTRICT COUNCIL

£3,000,000 Bills issued on 13 April 1983 at a rate of 9¼% to mature 12 October 1983. Total applications were £40,000,000, there were £3,000,000 outstanding.

METROPOLITAN BOROUGH OF ROTHERHAM

£8,000,000 Bills issued on 13 April 1983 at a rate of 9.83 64% to mature 13 July 1983. Total applications were £23,000,000, there were £5,500,000 outstanding.

WALSALL METROPOLITAN BOROUGH BILLS

£11,500,000 Bills issued 13th April 1983 due 13th July 1983 at the rate of 8³⁷⁄₆₄%. Applications totalled £63,500,000. These are the only Bills outstanding.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948
WENTELBED COMPANY LIMITED
t/a THE SPACE-SAVING BED CENTRE
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above-named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Thursday 5th May 1983 at 10 a.m. to be followed at 10.15 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the winding-up to date.

Dated this 6th day of April 1983.
D. W. J. HARTIGAN,
Liquidator.

INVESTMENTS FOR SALE

PORTUGAL, VILAMOURA—Invest in the finest sporting tourist development in Europe. Apt's. from £25,000. Villas from £30,000. R.M.S., 157 Whitecross St., London, EC1. 01-250 0258.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int	114.2	120.9xd	-0.1	10.36
High Inc Equity	47.9	51.5xd	+0.7	7.26
Capital Growth				
American Growth	94.7	101.8	+0.9	1.72
Assets & Ernngs. Tt	53.4	57.4	+0.6	2.63
Commodity & Engy	68.9	74.1xd	+1.6	2.36
General	84.3	97.1	-1.4	3.07
Japan	77.4	83.2		0.30
UK Growth	49.3	53.6xd	-0.6	3.64
Acc. Units	68.3	73.4	-0.9	3.64
Worldwide Bond	133.5	143.5	-0.8	3.83
Inv Tst. Fd.	76.9	82.7	+0.5	2.90
Equitas Prog	117.2	126.7	+2.3	3.39

Aitken Hume
1, Worship St., EC2 01-628 6626

American Tech Fd	137.5	147.8	+0.4	0.20
Inc & Gwth Fd.	31.9	34.3	-0.2	6.70
Pacific Fd	110.9	119.7	+0.5	2.20
Secure Income Fd	98.3	105.6	+1.1	0.20
Special Sits.	160.0	172.0	+0.9	2.30
Key Energy In. Fd	167.5	180.0	+0.7	2.10
Key Exempt Fd	374.9	403.0		4.07
Key Small Co's Fd	267.2	287.2	+0.2	2.80

Aitken Hume Ltd. Deposit Rates.

Treasury Acct*	Apr	11.19	10.75
Mnthly Income Acct*	Apr	11.02	10.50

*Unauthorised—Cash Deposit facility

Allen Harvey & Ross Unit Tst. Mngrs.
1, King William St., EC4N 7AU 01-623 6314
AH&R Gilt Trust | 104.2 | 113.0 | +1.9 | 11.00

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds				
Allied 1st	112.9	120.8	+1.9	4.72
Brit. Inds. Fund	103.3	110.5	-1.3	4.71
Growth & Income	76.0	81.3	-0.8	3.35
Allied Capital	153.7	164.5xd	+2.0	1.70

[illegible]

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777
Britannia Viewpoint 01-673 0048

UK Specialist Funds			
Assets	143.7	154.9xd	+0.1
Recovery	53.2	57.4xd	+0.3
Smaller Cos.	81.2	87.5xd	+0.5
Spec. Mkt. Sits.	73.6	79.4xd	+0.5
UK Blue Chip	50.8	54.8	+0.8
High Income Funds			
Nat. High Inc.	97.1	104.7xd	+0.8
Extra Inc.	41.6	44.8	+0.5
Inc & Growth	105.9	114.2	+1.1
Gilt	27.6	29.0	-0.1
Pref. Shares	18.8	20.3xd	
Sector Specialist Funds			
Commodity Shares	139.5	150.4	+3.1
Financial Secs.	143.9	155.2	+3.5
Gold & General	300.8	327.0	+9.9
Inv. Tst. Shares	83.6	90.4	+1.2
Prop. Shares	26.3	28.4xd	+0.5
Univ. Energy	51.0	55.0	+1.0
World Tech	43.3	46.7	+0.3
Overseas Funds			
American Growth	65.9	71.0xd	+0.5
Am. Smaller Cos.	107.9	116.3	+0.4
Am. Spec. Sits.	62.2	67.1	+0.1
Australian Growth	50.1	54.0xd	+1.5
Far East	38.0	41.0xd	-0.1
Hong Kg. Perfmnce	21.2	22.8	-0.3
Intl. Growth	100.4	108.2	-0.4
Japan Perf. Tst.	108.9	117.4	-0.1
General Funds			
Capital Acc.	106.9	114.2	+0.6
Comm. & Ind.	80.1	86.4	+0.4
Domestic	68.7	74.1	+0.8
Growth	145.5	154.9	+2.2
Shield	70.7	76.2xd	+1.4
Exempt Funds			
Exempt	227.9	241.7	+0.3
Ex. Mk. Ldrs	47.3	50.0	+0.8

Brown Shipley & Co. Ltd. (a)(g)
Harlands Hse., Haywards H'th, Sx 0444-458144

[illegible]

INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series			June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
O/FL	C	F.265	8	8.20	—	—	—	—	F.272.65
O/FL	C	F.270	10	4.50	—	—	—	—	"
O/FL	C	F.275	12	2.20	2	4	—	—	"
O/FL	P	F.260	40	1	—	—	—	—	"
O/FL	P	F.270	—	—	—	—	1	13	"
SILV	C	$10	8	8.60	—	—	18	6.46	$11.45
SILV	C	$11	2	1.40	48	9.20	3	2.70	"
SILV	C	$18	18	0.80	60	1.60	16	8	"
SILV	P	$10	—	—	14	0.50	—	—	"
SILV	P	$11	40	6.70	18	6.90	—	—	"
SILV	P	$12	—	—	10	1.40	—	—	"
			May		**Aug.**		**Nov.**		
GOLD	C	$400	6	48	—	—	—	—	$435.25
GOLD	C	$425	56	26	12	49	—	—	"
GOLD	C	$450	67	10.50	66	86	8	68	"
GOLD	C	$475	15	6.50	17	18 B	6	68	"
GOLD	C	$500	65	3	6	11 A	6	17.50	"
GOLD	C	$550	20	0.90	—	—	18	11	"
GOLD	P	$375	20	1	—	—	—	—	"
GOLD	P	$400	86	4.50	5	19	8	15 A	"
GOLD	P	$425	86	7	50	18	—	—	"
GOLD	P	$500	6	73	—	—	—	—	"
18¼ NL 81 87-21									
	C	F.122.50	10	8.50	—	—	—	—	F.161.50
	C	F.185	10	6.50	—	—	—	—	"
	C	F.197.50	16	3.80	—	—	—	—	"
	C	F.160	72	2	6	2	20	6	"
	P	F.130	215	1.10	263	2.30	—	—	"
	P	F.135	—	—	50	5.80	—	—	"
10¼ NL 80 86-95									
	C	F.112.50	—	—	6	1.20	—	—	F.119.60
11½ NL 11 88-92									
	C	F.118.50	10	2	—	—	—	—	F.114.80
	C	F.116	—	—	12	1	—	—	"
10 NL 82-11 26-89									
	C	F.107.50	10	2.10 B	—	—	—	—	F.109.50
7¾ NL 82 82-23									
	C	F.100	610	0.40	405	0.80	19	1.20	F.99.80
	C	F.102.50	10	0.10	—	—	—	—	"
	P	F.100	—	—	10	6.20	—	—	"
	P	F.102.50	465	6.90	—	—	—	—	"
7½ NL 83 87-90									
	C	F.97.50	500	1	5	1.40	—	—	F.96.10
	P	F.97.50	—	—	215	1.40	120	1.80 B	"
	P	F.100	160	2.10	—	—	—	—	"
			April		**July**		**Oct.**		
ABN	C	F.380	—	—	124	26.10	—	—	F.387
AKZO	C	F.56	—	—	95	2	—	—	F.60.50
AKZO	C	F.60	133	1	669	5 B	186	6	"
AKZO	C	F.65	—	—	163	2.60	161	4	"
AMRO	C	F.60	—	—	77	7.10	—	—	F.64.50
AMRO	C	F.65	—	—	83	5	—	—	"
HEIN	C	F.150	85	17	118	18	—	—	F.147.30
HEIN	C	F.140	—	—	116	12	—	—	"
HOOG	C	F.22.50	—	—	—	—	102	4.60	F.23.90
KLM	C	F.150	279	1.80	—	—	—	—	F.142.20
KLM	C	F.170	—	—	100	4.40 B	—	—	"
KLM	P	F.150	271	2	—	—	—	—	"
NEDL	C	F.100	120	6	167	10	—	—	F.106.50
NEDL	P	F.100	167	0.70	—	—	—	—	"
NATN	C	F.140	—	—	107	16.50	—	—	F.155.50
PHIL	C	F.30	105	18.50	—	—	—	—	F.48.60
PHIL	C	F.32.50	—	—	—	—	118	16	"
PHIL	C	F.35	885	15.50 B	237	13.60 B	246	13.80	"
PHIL	C	F.40	220	8.60	1270	8.80	580	10.30	"
PHIL	C	F.45	—	—	1806	6.10	1144	7.10 A	"
PHIL	C	F.50	—	—	2297	4	1614	6	"
PHIL	P	F.40	—	—	856	0.70	—	—	"
PHIL	P	F.45	—	—	1220	2.20	171	2.50	"
PHIL	P	F.50	—	—	313	4.50	—	—	"
RD	C	F.90	166	27 A	—	—	—	—	F.117
RD	C	F.100	1189	17.20	548	18	—	—	"
RD	C	F.110	1033	7.20 A	907	10.70	443	11.40	"
RD	C	F.120	—	—	1625	5.60	656	7.30	"
RD	P	F.100	—	—	—	—	183	6.80	"
RD	P	F.110	—	—	176	6	165	6.20	"
RD	P	F.120	—	—	166	7.80	—	—	"
UNIL	C	F.220	295	4.50	155	13.60	20	17	F.223.80
UNIL	C	F.240	—	—	174	6.20	46	8	"
UNIL	P	F.220	—	—	138	9.50	92	18	"

TOTAL VOLUME IN CONTRACTS 26,749
A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 368)	280	20	—	—	1½	—	—
" "	300	70	76	84	1½	5	6
" "	330	40	50	58	8	9	14
" "	680	13	24	34	7	18	24
CGF (USP 527)	390	5	147	—	1½	6	—
" "	420	118	117	—	1½	6	—
" "	460	72	85	92	2	10	16
" "	500	30	54	63	6	18	27
" "	650	5	30	38	27	40	47
" "	600	1	11	17	—	80	—
CTD (USP 98)	70	30	69	33	1	1½	2
" "	80	20	22	23	1	2½	6
" "	90	10	15	16	2	6	5
" "	100	9½	6½	8½	6	7	9
CUA (USP 146)	120	26	30	34	1	1½	9
" "	130	15	21	24	1	6	5
" "	140	6	16	18	2	7	9
" "	160	1¼	7	10	17	19	20
OEC (USP 928)	180	50	55	60	1	2	4
" "	197	52	—	—	1	—	—
" "	200	—	66	42	—	8	10
" "	217	14	—	—	6	—	—
" "	226	—	20	27	—	12	18
" "	237	3	—	—	12	—	—
" "	240	—	2	—	—	22	—
" "	260	1	4	—	36	68	—
GM (USP 341)	240	2	—	—	1	—	—
" "	250	52	—	—	1	—	—
" "	280	52	68	—	1	3	—
" "	300	46	42	54	2	6	7
" "	630	19	28	54	2	11	14
" "	360	2	14	21	20	25	28
" "	390	1	6	10	2	66	54
ICI (USP 412)	260	150	—	—	1	—	—
" "	280	2	—	—	1	—	—
" "	300	120	128	—	1	—	—
" "	660	90	98	—	1	3	—
" "	360	60	68	74	1	5	6
" "	620	30	42	58	2	10	14
" "	420	6	24	30	12	12	29
LS (USP 626)	260	68	73	72	1	9	—
" "	280	45	54	60	2	4	8
" "	300	28	34	42	6	6	18
" "	650	4	16	22	10	12	21
M & S (USP 222)	200	28	31	36	1	6	16
" "	226	5	16	23	5	16	19
" "	240	1	7	—	21	24	—
SHL (USP 506)	460	50	58	66	1½	8	16
" "	500	16	30	36	10	30	28

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BBL (USP 463)	660	108	118	—	1	9	—
" "	690	78	88	—	9	6	—
" "	420	48	58	75	2	9	13
" "	460	18	38	46	12	22	60
" "	500	4	16	27	40	47	57
IMP (USP 116)	90	87	—	—	1	—	—
" "	100	17	—	—	1½	—	—
" "	116	8	16	18	6	4	6
" "	120	4	8	16	7	8	11
" "	160	1	4	6¾	16	16	17
LMO (USP 963)	210	80	85	95	2	3	6
" "	230	60	70	78	2½	7	10
" "	850	40	63	50	6	13	18
" "	270	25	65	40	16	20	25
" "	990	12	25	—	93	28	—
" "	320	4	10	—	2	48	—
" "	650	2	—	—	—	—	—
" "	660	1	—	—	—	—	—
LNR (USP 84)	80	7	11	13	3	6	6½
" "	90	8½	6	7	8	10	11
" "	100	0¾	2½	3½	16	17	61
P & O (USP 149)	100	52	52	—	0¼	1	—
" "	110	48	42	—	0½	9	—
" "	180	32	32	33	1	2	4
" "	160	92	63	24	1½	4	8
" "	140	16	17	19	2	8	16
" "	160	4½	10	14	13	18	22
RCL (USP 487)	420	70	50	90	2	6	12
" "	460	34	60	67	8	16	22
" "	500	10	96	35	87	30	67
" "	560	2	2	—	67	70	—
" "	600	1	9	—	117	117	—
" "	660	1	—	—	187	—	—
RTZ (USP 544)	390	167	—	—	1	2	—
" "	420	127	160	—	9	—	—
" "	460	27	95	—	3	7	—
" "	500	47	64	75	6	17	24
" "	660	20	40	50	24	65	44
VRF (USP $116)	50	—	—	—	1	—	—
" "	70	2	—	—	1	—	—
" "	80	6	—	—	1	—	—
" "	90	27½	61	34	1½	—	—
" "	100	18½	22	24	2½	2½	4½
" "	110	16½	16	12	6½	5	8½
" "	120	6½	11	14½	2	8½	12
" "	130	6	8	10½	16½	12½	17½
" "	140	6¾	5½	6½	—	—	22½

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
SHM (USP 406)	560	60	68	75	4	6	6
" "	360	37	47	50	12	18	20
CKN (USP 164)	160	12	17	25	5	9	11
" "	180	4	8	16	17	61	24

Apr. 12 Total Contracts 5,029 Calls 4,199 Puts 830

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Perpetual U.T. Mgrs (Jersey) Ltd.

See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

Phoenix International

PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$4.14	4.46	...	—
Far East Fund	$2.79	3.0	...	—
Intl. Currency Fund	$1.74	1.88	...	—
Dollar Fxd. Int. Fund	$3.45	3.72	...	—
Ster. Exempt Gilt Fd.	£2.15	2.32	...	—

Providence Capitol International Ltd.

PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.304	1.402	...	—
Intl Stockmarket	$0.955	1.027	...	—
World Technology	$1.013	1.089	...	—
N Am Stockmarket	$1.198	1.288	...	—
Far East	$0.858	0.923	...	—
UK Fixed Interest	£1.192	1.281	...	—
Intl. Fixed Int.	$1.093	1.176	...	—
Intl. Currency	$0.992	1.067	...	—
Intl Money Market	$1.027	1.104	...	—
U K Money Market	£1.015	1.092	...	—
Stlg. Mangd Fd	£1.119	1.203	...	—
Dollar Mangd Fd	$1.058	1.138	...	—

Savings Target Rate 5⅞.

Prices on Mar 23. Next dealing Mar 30.

Quest Fund Man. (Jersey) Ltd.

PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int	£0.826	0.875		10.29
Quest Intl Secs.	$1.019	1.096		1.28
Quest Intl Bd	$0.864	0.915		10.49

Prices on April 6. Next dealing April 13.

Wardley Japan Trust $20.24 20.99 +0.05 0.86

WestAvon Secs (Guernsey) Ltd

PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	£1.02	1.07		3.00
US $ Option	$0.97	1.02	+0.02	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.43	+0.15	—

Inv. Adv.: M. & G. Inv Mngt., Ltd., London.

Wren Commodity Management Ltd.

10, St. George's St., Douglas IoM 0624 25015

Wren Com Fund	37.1	38.6	..	3.10
Chinese Fund	80.0	84.1	....	1.70
Precious Metal Fund	123.3	128.4		8.30
Vanguard Cmdy. Fd.	43.3	45.4	..	2.26
Financial Futures Fd	121.0	126.8	...	—
Wren Intl Fnd.*	$0.912	0.950		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ◆ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for April 12.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10⅝ 90	100	95¾	96⅛	-0½	-1	10.99
Amro Bank 13 88	200	105⅝	105⅞	-0⅞	-1¼	11.47
British Col Hyd 10¼ 88	200	98½	99	-0⅛	-0¼	10.58
British Col Hyd 15¼ 92	150	117⅞	118⅜	-0¼	-0⅞	11.89
Canada 14⅜ 87	750	111¾	111⅞	+0¼	-0¼	10.78
Canadair Ltd 12½ 89	175	105⅜	106⅛	+0⅛	-1	11.18
Canadian Wheat 11¼ 90	50	100¾	101¼	-0⅜	-0½	11.82
Can Pac Sec 15 89	75	110	110¾	0	-0½	12.49
Citicorp O/S 15 84/92	100	104⅝	105⅛	-0⅛	-0¼	0.69
Coca Cola Int 9⅞ 92	100	25⅛	25⅝	-0⅜	-0⅜	10.66
Coca Cola Int 11¾ 89	100	104⅞	105⅜	+0⅛	-0⅛	10.58
Credit Suisse BHA 10½ 90	150	100⅛	100⅝	0	-0¾	10.39
Credit Suisse 10½ 89	100	101¼	101¾	-0⅛	+0⅜	10.18
Deutsche Bk Fin 14¼ 89	300	112⅜	112⅞	-0¼	-2⅜	11.32
Du Pont 11¼ 95	150	102⅛	102⅝	-0⅛	-0⅜	10.87
Du Pont 14⅛ 89 WW	200	108⅛	108⅝	-0¼	-0¼	12.12
E.O.C. 10¾ 88	100	100¾	101¼	-0¼	-0⅛	18.45
E.D.F. 12¾ 87	150	103⅜	103⅞	-0⅛	-0¼	11.63
E.E.C. 10⅝ 95	75	96½	97	-0⅛	-0⅛	11.25
E.E.C. 11½ 95	200	99⅞	100⅜	+0¼	-0⅛	11.48
E.I.B. 11 01	125	99⅛	99⅝	-0⅜	-0⅞	11.11
E.I.B. 15½ 92	100	114	114½	-0¼	-0⅝	12.76
Exp Dev Corp 11¾ 97	100	103⅛	103⅝	-0⅜	-0¼	10.73
Forsmarks 13¾ 92	75	106⅜	106⅞	+0⅛	-0⅞	12.48
Gaz de France 12¼ 93	175	20⅜	20⅞	0	-0⅛	12.19
Gen Elec Credit 9¾ 91	100	14⅝	15⅛	-0⅛	0	10.69
Gen Elec Credit 12 89	100	107	107½	-0⅛	0	10.37
GMAC O/S Fin 10½ 90	200	98⅜	98⅞	-0⅛	-0½	10.76
GMAC O/S Fin 15 87	100	109⅛	109⅝	-0⅜	-0⅜	11.95
Gulf Oil Fin 12¼ 07	100	104	104½	-0¼	-0⅜	10.95
Honeywell Int 10¾ 90	100	98⅛	98⅝	-0⅞	-0⅜	11.09
IBM World Trade 12¼ 92	200	110⅛	110⅝	-0¼	-0⅛	10.45
Manitoba Prov 11¾ 89	125	103½	104	-0⅜	-0⅞	10.89
Manitoba Prov 13¾ 89	100	109⅛	109⅝	-0⅛	-0½	11.57
Midland Int Fin 11½ 92	150	100⅝	101⅛	-0⅛	+0⅛	11.32
Nat West Fin 11¾ 92	150	102⅜	102⅞	-0⅛	-0⅜	11.28
New Brunswick 15¼ 07	75	111½	112	+0⅛	-0¼	11.58
Newfoundland 10½ 90	75	113¾	114¼	-0¼	-0⅝	12.44
Nippon Credit 11⅛ 93	100	98½	99	-0¼	-1	11.45
Nova Scotia Prv 15¼ 89	75	113⅝	114⅛	-0⅜	-0½	11.95
Ontario Hydro 11¼ 89	200	102¾	103¼	0	-0⅛	10.58
Ontario Hydro 12¾ 92	200	107⅜	107⅞	-0⅛	-0¼	11.37
Ontario Hydro 15 92	150	117½	118	-0¼	+0⅛	11.73
Prudential O/S 10⅝ 93	100	100⅛	100⅝	-0⅛	-0⅝	10.56
Prudential O/S 12¾ 87	150	107¼	107¾	+0⅛	-0½	10.53
Quebec Hydro 11½ 92 0	100	102	102½	-0¼	-0⅝	11.08
R. J. Reynolds 12¾ 89	100	105⅛	105⅝	-0⅛	-0⅜	11.49
Saskatchewan Pr 10¾ 90	125	90	99½	-0⅛	-0¼	10.90
S.N.C.F. 11½ 93	100	99⅞	100⅜	-0⅜	-0⅞	11.47
Swed Exp Credit 14⅜ 90	100	110¾	111¼	-0½	-1⅛	12.32
Swiss Bk Corp 10¼ 90	125	101½	102	-0½	-1⅛	9.86
Texaco Capital 9¾ 90	150	95	95½	-0⅛	+0½	10.75
U.B.S. 11 89	150	103⅜	103⅞	-0⅛	-0⅞	10.19
Walt Disney Pro 11½ 89	75	105⅛	105⅝	-0⅛	-0⅛	11.20
World Bank 10⅞ 88	150	98⅝	99⅛	+0⅛	+0⅛	10.81
World Bank 10⅞ 93	100	99¼	99¾	+0¼	-1	10.98
World Bank 11⅛ 88	100	98¾	99¼	+0⅛	-0⅛	11.25

Av. price changes: on day -¼, on week -⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100¾	101¼	0	-0⅛	8.09
Australia 8⅞ 93	200	99⅛	99⅝	-0⅛	-0¼	6.96
Australia 7¾ 92	200	104⅜	104⅞	-0¼	-0⅛	7.06
Bank of Tokyo 7¼ 00	100	100	100½	+0⅛	+0⅛	7.19
Bayer Capital 7⅝ 89	150	104⅞	105⅜	0	-0⅜	8.63
Caisse Nat Energie 8 93	100	109¼	109¾	+0⅛	+0⅛	7.92
Caisse Nat Tele 7¾ 93	200	98¼	98¾	-0⅛	-0⅛	7.97
E.C.S.C. 7½ 93	150	99¼	99¾	0	+0¼	7.57
E.E.C. 7¾ 95	200	100⅛	100⅝	+0⅛	+0⅛	7.70
E.E.C. 8 94	200	101¼	101¾	-0⅛	+0⅛	7.79
Eurofima 7½ 91	100	101⅞	102⅜	0	+0½	7.13
Ferrovie Dello 8¾ 88	150	102½	103	+0⅛	+0⅜	8.04
Gould Int Fin 0½ 89	75	103⅜	103⅞	+0⅛	-0⅜	2.52
H.J. Heinz Int 6¾ 88	50	99¾	100½	-0⅛	0	8.71
Int-Am Dev Bk 8¼ 93	150	101¼	101¾	0	-0⅝	8.61
Ireland 8½ 90	150	101½	102	+0⅛	-0¼	8.10
Ireland 0⅞ 81	150	102⅛	102⅝	0	0⅛	8.43
ITT Antilles 7 93	200	98⅛	98⅝	0	0	7.23
McDonalds Fin 7⅛ 92	100	101⅜	101⅞	0	0	8.88
Mitsui O.S.K. 7¼ 88	100	100⅜	100⅞	+0⅛	-0¾	7.08
Mount Isa Fin 7⅝ 90	100	98⅛	98⅝	0	-0½	7.94
Quebec Hydro 8 93	200	103	103½	0	-0¼	7.52
Sweden Kingdom 8¼ 89	150	102½	103	+0⅜	+0⅛	7.69
Volkswagen Int 7¼ 93	200	98¼	98¾	+0¼	+0¼	7.47
World Bank 7¼ 93	200	98¼	98¾	0⅛	-0¼	7.47

Av. price changes: on day 0, on week +¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	98½	98¾	0	+0½	8.26
American Express 4¾ 93	100	98½	98¾	0	+0⅜	4.93
Asian D B 5⅞ 95	100	99	99¼	0	-0¼	5.98
BTR Finance 5⅝ 93	75	98¼	98½	+0¼	+0¼	6.84
Carls-Tuborg Brw 5¾ 93	60	102	102¼	+0¾	+0¼	5.47
Chugoku Elec Pow 0⅛ 81	100	103	103¼	+0¼	+0½	0.81
Chugitsuya Co 5⅞ 93	50	97¾	98	0	0	9.17
Ex-Im Bk Japan 5 93	100	97½	97¾	+0¾	-1	5.31
First Interstate 6 92	100	103¾	104	+0¾	+0⅛	5.47
Gaz de France 6 93	100	100¾	101¼	+0⅛	-0⅛	5.86
Gothenburg Airport 0 93	50	100	100¼	0	0	5.98
HCA Finance 5 93	100	97¼	97½	0	-0⅛	5.35
Kyushu Elec Power 6 92	100	100¾	101	+0¼	-0⅛	5.87
Manitoba Prov 5⅞ 93	100	101⅜	101⅝	+0⅛	-0⅛	5.85
Nippon Express Co 6 93	50	101¼	101½	0	+0⅛	5.81
Nippon Kokan 5⅝ 93	100	96¼	96½	-0¼	0	6.12
Norsk Hydro 5½ 88	100	98	98¼	-0¼	-0⅜	5.69
O K G. 6¾ 93	60	102	102¼	0	+0¼	8.44
Quebec 5¾ 92	100	102½	102¾	-0½	-0¼	5.39
Shikoku Elec Pow 5⅝ 93	100	97½	97¾	0	-0¼	5.95
Tohoku Elec Power 5 93	100	100¼	100½	-0½	-0⅞	5.95
Transcanada Pipe 5¾ 93	100	99	99¼	-0¼	-0¼	5.87
Trust Corp 6½ 81	100	100⅝	101	-0⅛	-1	6.11
Union Bk Norway 5⅞ 93	80	97½	97¾	-0⅜	-1	5.69
Volvo 5¾ 91	80	101¾	102	0	-0½	5.08
World Bank 5½ 93	100	100½	100¾	+0½	+0⅛	5.41

Av. price changes: on day -⅛, on week -½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105⅛	105⅝	0	-0⅛	7.77
E.I.B. 8¼ 92	15	102	102⅜	-0⅛	-0⅛	7.87
Japan Airlines 7⅜ 87	9†	101	101½	0	0	7.48
New Zealand 7⅛ 89	15	99⅝	100⅛	0	-0¼	7.56
World Bank 8⅛ 92	20	103⅜	103⅞	0	0	7.81

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 90 CS	50†	97¾	98¼	-0½	-1⅛	12.94
Farm Credit 12½ 93 CS	50†	100⅜	100⅞	+0¼	+0⅛	12.01
Gaz de France 15 89 CS	75†	107½	108	-0½	-1⅛	13.12
Gaz Metro 14½ 92 CS	40†	103	104	0	0	13.78
Pancanadian 12½ 93 CS	50†	98⅝	99⅛	+0½	-0⅞	12.68
Quebec Hydro 14 92 CS	60†	106⅞	107⅛	-0⅛	-0½	12.68
Swed Exp Cr 12¾ 88 CS	50†	102	102½	0	-1	11.59
E.I.B. 11¾ 91 ECU	60	100	101	0	0	11.64
Quebec Prov 11½ 89 ECU	50	95⅜	96⅛	0	0	12.52
Amfas 0½ 87 Fl	60	104⅞	105¼	0	0	2.14
Austria 7½ 88 Fl	100	100⅝	100⅞	-0⅛	-0⅛	7.33
Nederland Gas 7½ 88 Fl	100	100¾	101¼	-0¼	0	7.25
Neder Middbk 9¼ 87 Fl	100	104½	105	0	0	7.97
Quebec Prov 7½ 88 Fl	100	99	99½	+0½	+0¼	7.68
World Bank 7 88 Fl	150	98¼	98¾	0	0	7.37
O.K.B. 14 86 FF	400	98¾	99¼	-0⅛	0	14.23
Solvay & Cie 14¾ 88 FF	200	106⅞	107⅜	+0¾	0	14.33
B.F.C.E. 14½ 87 £	30	108⅛	109⅛	+0⅛	-1⅛	11.74
C.E.C.A. 13½ 88 £	20	106	107	+0½	-0⅞	11.79
C.N.T. 11½ 89 £	20	101⅜	102⅜	+0⅜	+1¼	12.83
E.E.C. 11⅞ 91 £	50	99⅝	100⅝	+0½	+1½	11.88
Fin Fac Ind 12¼ 88 £	30	104	105	+0⅛	+1½	11.07
Fin Mkt Oranj 12⅝ 92 £	30	26	26½	+0⅛	+1⅞	12.39
Gen Elec Co 12½ 89 £	50	105¼	106⅛	0	+0½	11.09
Hiram Walker 14¼ 86 £	25	107	108	0½	-0⅜	11.18
Mort Bk Fin 11¾ 89 £	15	26½	27½	+0¼	+3	12.52
Norsk Hydro 12 90 £	30	100⅝	101⅜	+0⅜	+3½	11.78
Norsk Hydro 14½ 81 £	30	108½	109½	+0⅛	+1	11.64
Quebec 14½ 89 £	30	108¼	109¼	+0½	+2⅜	12.38
S.D.G. France 15½ 92 £	30	107½	108½	+0⅛	+1¼	13.95
S.N.C.F. 11½ 89 £	30	97⅜	98⅜	+0⅜	+2⅜	11.85
Tenneco Int 14¾ 87 £	30	108	109	+0⅜	+1¼	12.85
World Bank 11⅞ 81 £	75	27⅜	28⅜	+0⅛	+1⅜	11.81
Euratom 11 93 LuxFr	500	102½	103½	0	0	10.55
Europarat 12½ 92 LuxFr	500	104	105	0	-0⅛	11.65

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100½	100⅝	10/6	9¾	9.71
B.F.C.E. 5⅛ 88	0⅛	99⅛	99⅝	20/7	9¼	9.31
B.F.C.E. 5¼ 87	0¼	99⅞	100⅜	27/7	9.94	9.93
Caisse Nat Tele 5¼ 90	0¼	99¼	99¾	21/4	10.56	10.62
C.C.F. 5¼ 95	0¼	99½	100	7/10	15.19	10.21
C.C.F. 5¼ 88	0¼	100	100½	24/9	9.94	9.91
Cepme 5¼ 92	0¼	99⅝	100¼	10/8	9.94	9.94
Chemical NY 5¼ 94 ††	0¼	100¼	100⅝	23/6	9⅞	9.83
Credit Agricole 5¼ 87	0¼	99⅝	100	24/9	10	10.02
Credit du Nord 5¼ 92	0¼	99⅛	99⅝	23/6	10⅛	10.18
Credit Lyonnais 5¼ 97	0¼	99⅝	100⅛	1/10	10.06	10.06
Credit Lyonnais 5¼ 94	0¼	99⅜	99⅞	5/7	9¾	9.79
Credit Nat 5¼ 94	0¼	99⅝	99⅞	3/8	9¼	9.34
E.D.F. 5¼ 95 XW	0¼	99⅝	99⅞	10/8	10	10.04
Kansallis Osake 5½ 92	0¼	99⅝	100⅛	6/5	10.86	10.85
Lloyds Eurofin 5¼ 93 §	0¼	100½	101	29/4	10.56	10.48
Long Term Cred 5¼ 92	0¼	100¼	100⅝	27/5	10⅛	10.10
J.P. Morgan 5¼ 97 §	0¼	100½	101	12/5	9½	9.43
New Zealand 5¼ 87	0¼	100⅝	100⅞	7/10	10.08	10.00
NZ Steel Dev 5¼ 92	0¼	100¼	100⅝	22/6	10.18	10.14
Nippon Credit 5¼ 90	0⅛	100⅝	100⅞	10/8	9⅞	9.83
Scotland Int 5¼ 92	0¼	100⅛	100⅜	23/9	9.94	9.98
Sec Pacific 5¼ 91	0⅛	100⅝	100⅞	24/5	10.86	10.81
Societe Generale 5¼ 95	0¼	99⅝	99⅞	1/9	9½	9.54
Standard Chart 5¼ 91	0¼	100⅝	100⅞	10/5	10.69	10.62
Sweden 5¼ 93	0¼	99½	100	3/8	10.19	10.21
Sweden 5¼ 89	0¼	99½	100	26/8	9⅝	9.65

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	98	99½	-1⅛	21.82
Bridgestone Tire 5½ 96	3/82	478	105⅜	106⅜	-2⅜	5.11
Canon 7 97	7/82	748.2	179	181	-0⅜	1.23
Fujitsu Fanuc 4¼ 96	10/81	5614	110⅝	112½	-4¼	40.48
Hitachi Cable 5¼ 96	2/82	515	96¼	97¾	-1⅛	12.83
Hitachi Credit Corp 5 96	7/81	1632	95½	97½	-3¼	14.49
Honda Motor 5½ 97	3/82	759.8	112¼	114	-0⅜	6.38
Kawasaki 5¾ 96	9/81	229	85⅜	87⅜	+0⅛	32.52
Kumagai Gumi 6½ 97	10/82	490	114	115½	-0¼	1.17
Kyowa Hakko 6¾ 97	2/83	782	105½	106⅞	-1⅛	17.58
Marui 6 96	7/81	769.5	124⅝	126⅛	-0⅜	5.72
Minolta Camera 5 96	10/81	426.4	75⅜	77⅛	-0⅛	41.53
Murata 5¾ 96	7/81	1971	111⅞	113⅜	-3½	2.55
Nippon Electric 5⅛ 97	2/82	765.9	123	124½	-0⅜	7.95
Nippon Oil Co 5½ 96	4/83	964	96⅝	97⅝	-0½	5.35
Nissan Motor 5⅛ 96	4/83	778	95⅜	96⅞	-0⅛	7.28
Olympus Optical 6⅛ 97	12/82	1331	105⅜	106⅞	-1⅛	16.28
Orient Finance 5¾ 97	3/82	1285	107⅞	108⅝	-2⅜	42.28
Sumitomo Electric 5½ 97	3/82	577.3	96⅝	98¼	-1⅞	10.35
Sumitomo Metal 5¼ 96	10/81	295.1	75⅜	76¾	+1½	46.82
Fujitsu 3½ 93 SF	3/83	958	107¾	109⅝	-0¼	16.85
Sharp Corp 3½ 93 SF	3/83	1198	109¼	111¼	-0¼	4.08
Konishiroku 6¾ 88 DM	8/82	616	110⅝	111⅞	0	9.74
Mitsubishi Heavy 6 89 DM	2/82	263	107⅝	108⅝	-0½	25.11
Sun Realty 6¾ 92 DM	2/83	365	113	114	-0⅛	8.83

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or —	Net Div.	Times Covered	Gross Yield	P/E Ratio
140	F.P.	15/4	145	132	✠Airship Inds.	132		—	—	—	—
112	F.P.	16/3	164	129	Assoc. British Ports	160	-3	b7.0	1.6	6.3	13.8
—	F.P.	—	100	96	Atl'tc M'trp'n U.S.$.1¢	96		Q8c	0.6	6.7	31.9
¶180	F.P.	6/5	253	228	Datastream 5p	245	-3	b2.25	3.3	1.3	31.0
‡‡	F.P.	15/4	220	190	✠Grainger Trust	190		d3.8	2.5	3.2	17.8
§38	F.P.	8/4	112	89	✠HB Elect Comps 10p	98	-3	u1.12	2.2	1.7	31.3
‡‡	F.P.	—	60	40	✠IntervisionVideo 10p	42	+2	1.8	2.1	2.4	16.5
§£48	F.P.	—	£57	£55	Perstorp AB Free 'B'	£57		Q9.84%	3.2	0.7	25.5
‡‡	F.P.	—	110	83	✠Sinclair (Wm.)	88		24.25	1.0	7.3	28.7
‡‡	F.P.	—	105	77	Do. Defd.	80		—	—	—	—
175	F.P.	26/8	303	255	Superdrug Stores 10p	265		bd5.5	●	1.9	●
§10	F.P.	11/3	29	22	✠Tele.Services Int 10p	23½		b0.2	3.3	1.2	30.0
§72	F.P.	30/3	115	89	✠Utd. Packaging 10p	105		b2.5	3.2	3.4	11.2
§150	F.P.	18/2	340	255	✠WightCollinsR'sl 10p	255	-2	bd2.75	3.3	1.5	28.5

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or —
0	Nil	—	46pm	15pm	Bifurcated Con. Cum. Red. Pref. '91-93	46pm	
99.431	F.P.	10/4	101⅛	91⅛	Birmingham 11⅛% Red. 2012	99⅛	-1⅛
¶¶	F.P.	00/5	95½	95	Brooke Tool 17% Conv. Cum. Prf. 50p	95	
18	£25	30/6	28	24¼	Hambros Inv. 8 17% Stpd. Deb. 2018	28	+⅛
‡‡	F.P.	—	225p	150p	✠Intervision 7% Cnv. Red. Prf.	150p	+5
—	—	—	100⅛	99	Nationwide Bdg. Soc. 11¼% Bds. 13/2/84	100⅛	+¼
—	—	—	100½	100⅛	Do. 11¼% Bds. 3/4/84	100½	+⅛
¶¶	F.P.	20/5	14p	11p	Newman Inds. 10% Cm Cnv Red. Prf. 10p	14p	
§97.174	£25	6/5	32⅛	22	Pearson (S) 13% Uns. Ln. 2007	32⅛	+⅛
¶100	F.P.	9/6	102	101⅛	Sutton Dist. Water 7% Pref. 1988	101⅛	

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or —
250	F.P.	25/2	28/4	342	275	AGB Research 10p	315	+5
75	F.P.	12/4	15/5	94	88	✠Aidcom Int. 10p	87	+1
‖140	F.P.	25/3	15/4	134	73	✠Airship Inds.	133	+1
280	F.P.	25/3	25/4	410	225	Applied Computer	400	+5
65	Nil	26/4	3/6	51pm	42pm	BSR 10p	46pm	-5
11	F.P.	—	19/4	13¾	10½	✠Berkeley& Hay Hill Invs 1p	10½	-1
10	F.P.	8/4	20/5	14	11½	Bluemel Bros	13	-1
155	F.P.	8/4	31/5	187	175	Brit. Car Auctions 10p	187	+1
175	Nil	28/4	20/5	60pm	50pm	Collins (William)	60pm	+5
178	Nil	28/4	20/5	58pm	45pm	Do. A	58pm	+5
45	Nil	30/4	8/6	8pm	6pm	Comben Grp. 10p	8pm	+1
75	F.P.	7/5	15/3	105	85	Dominion Int. 20p	95	+1
22	Nil	29/4	24/5	2½pm	1½pm	East Rand Cons. 10p	2½pm	+1
95	Nil	18/4	16/5	18pm	10pm	Ferguson Ind.	18pm	
385	F.P.	—	27/5	595	522	Fisons £1	595	+5
108	F.P.	7/5	29/6	117	113	✠Garfunkels 10p	118	+2
168	F.P.	11/3	10/6	183	162	Geers Gross 10p	172	+2
20	F.P.	12/4	20/5	47	40	Guinness Peat	47	
162	Nil	27/4	18/5	15pm	6pm	Hampton Gld Mining 10p	11pm	
260	Nil	18/4	18/5	56pm	44pm	Harris Queensway	46pm	-1
Ir£0.96	Nil	—	—	20pm	19pm	Irish Distillers	16pm	
185	Nil	31/3	6/5	90pm	30pm	LASMO	90pm	+7
110	Nil	—	—	15pm	10½pm	Leisuretime Int. 10p	10½pm	
140	F.P.	20/3	6/5	194	173	Magnet & Southerns	182	+3
25	F.P.	18/3	25/4	30	25	Mettoy	29	
176	Nil	—	—	62pm	52pm	Mowlem (J)	56pm	
A$1.50	F.P.	28/4	30/5	90	67	North B. Hill 50c	90	+2
56	F.P.	8/2	29/4	75½	51	Stakis 10p	75½	
400	F.P.	4/3	22/4	585	426	Ultramar	585	+10
81	F.P.	28/3	6/5	100	100	Valor	100	+1
15	Nil	26/4	27/5	10½pm	6pm	Whittington Int'l	8pm	

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. *H* Dividend and yield based on prospectus or other official estimates for 1983-84. *Q* Gross. *T* Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✠ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Japanese launch $100m swap bond

By Our Euromarkets Staff

MITSUBISHI Corporation, the major Japanese trading group, yesterday became the first Japanese corporate entity to launch an interest-rate swap Eurobond – a $100m seven-year 10½ per cent issue priced at par.

Interest-rate swaps are transactions where the raiser of fixed-rate funds exchanges its fixed coupon liability, with a counterparty. The counterparty takes over the fixed coupon and provides the borrower (in this case Mitsubishi) with floating rate debt instead.

The idea is for a counterparty to obtain funds at a rate which is lower than that it would pay if it raised fixed-rate funds itself. The issuer meanwhile, obtains lower cost floating rate funds.

There have been numerous interest rate swaps for banks, but no Japanese company has launched such a transaction before. Lead managers are Morgan Guaranty, Merrill Lynch, Morgan Stanley and Nikko Securities.

The Mitsubishi deal sold very well yesterday and a pre-market discount of just ½ per cent was quoted last night for the Triple A bonds.

The Eurodollar bond market was in a healthy mood yesterday, pleased to see the U.S. Federal Funds rate hovering at about 8½ to 8⅝ per cent. Dollar bond prices gained about ¼ point on the day and dealers referred to "an improving undertone."

Yesterday's second dollar issue was a $100m 10-year 11⅜ per cent deal for Enserch, the U.S. natural gas and oil group. The coupon seems designed to aid placement of this Single A paper. Lead managers are Salomon Brothers and Goldman Sachs.

In West Germany, prices of Euro D-Mark bonds were ¼ to ½ point higher, while Swiss franc foreign bond prices closed ¼ point up on the day.

Hydro Quebec is raising SwFr 100m through a 10-year bond with an indicated yield of 5½ per cent. Credit Suisse is lead-manager.

AMC offer opens

MICHIGAN – The public offering of 10m shares by American Motors, the financially troubled U.S. car maker, began yesterday at a price of $5⅝. This compares with an AMC share price in early trading of $5¾, down ¼.

Late on Monday, AMC had doubled the number of shares it planned to sell and said that its partner, Renault of France, would increase its simultaneous purchase of AMC common shares from 6.9m to 11.5m.

AMC said it had increased its offering "because there's interest in the market for our stock." However, the price of its common shares has fallen about 16 per cent since the offering was announced.

The company expects the revised offering and the stock sale to Renault to raise about $134m. The exercise is part of a larger plan to raise $500m to maintain ACM's capital spending programme.

AP-DJ

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Soviet grain crop attacked by frost, Page 33

WALL STREET

The Volcker view meets expectations

FINANCIAL markets on Wall Street buzzed with excitement yesterday morning when Mr Paul Volcker, the Federal Reserve Board chairman, made an appearance before the Senate Banking Committee. His comments on the outlook for interest rates and money supply contained few surprises for the market, however, and both credit and equity sectors quietened down at mid session *writes Terry Byland in New York.*

The Dow Jones Industrial average fell back slightly after an initial gain but recovered to 1145.32 up 3.49, at the close.

Credit markets had been obliged to hold their breath for half an hour before hearing that Mr Volcker had forecast a slowdown in M-1 and M-2 money supply in the coming months.

By mid-morning it was becoming clear that Mr Volcker's views on the outlook for interest rates had been correctly foreshadowed by the market place over the preceding week. Indeed, Mr Volcker came very close to confirming that he was the "unnamed official from the Fed" whose reported comments played a major role in last week's easier trend in short-term rates.

The share market's initial burst of enthusiasm – which was further encouraged by news of higher first quarter profits at leading U.S. banks and manufacturing companies – took the Dow through its previous closing peak to touch 1146.38 before profit-taking set in.

Dealers reported increased interest in equities by the major retail investment buyers, but added that these investors would probably wait until the quarterly reporting season has brought in more evidence of the progress of the economic recovery before committing themselves in the marketplace.

A further boost came when Bankers Trust followed the trend by cutting its broker loan rate to 9½ per cent.

Among the outstanding features of the corporate reporting list, General Electric pleased the market with a sharp rise in profits in the first quarter.

The banking reporting season was opened by Mellon National, the Pittsburgh bank, whose shares put on $½ to $48¼.

Motor shares were enlivened by the increase in a planned share offering by American Motors to 10m units. The shares were sold in the market at $5.875, a shade below the $6 price of the previous day's market, and the share price was adjusted yesterday to $5⅝.

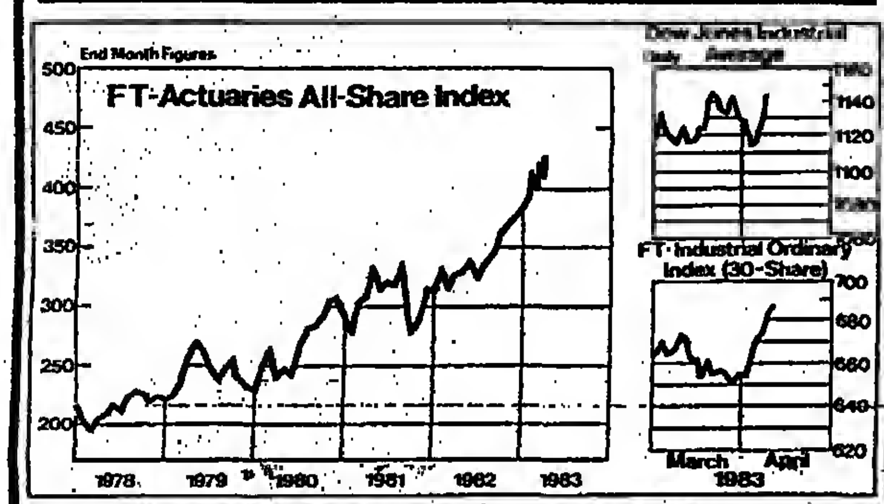
Credit markets were also unable to maintain their initial enthusiasm and yields in the bill market began to lengthen at midsession. Dealers reported a lack of follow-through buying by the major retail investors and also pointed to the Federal Funds rate, which opened at 8½ per cent but then edged up to 8⅝ per cent.

The discount on three-month Treasury bills moved from 8.18 per cent to 8.17 per cent: the six-month rate also lengthened to 8.27 per cent.

The longer end of the bond market responded vigorously to Mr Volcker's words but also turned back later. The benchmark long bond, at 99[illegible], had been as high as 99⅝.

Strength in the oil and gas sector enabled Toronto to retain some buoyancy despite setbacks for metals. Banks were a Montreal weak spot. Meanwhile the Finance Department is to issue C$1.15bn in domestic bonds, with maturities ranging from three to 20 years, priced up to 100.25 per cent and with yields extending to 11.88 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Apr 12	Previous	Year ago
DJ Industrials	1145.32	1141.83	841.32
DJ Transport	507.78	508.31	347.47
DJ Utilities	125.46	125.00	110.93
S&P Composite	154.84*	156.14	116.00
LONDON			
FT Ind Ord	687.7	683.9	551.6
FT-A All-share	433.66	428.22	317.90
FT-A 500	472.13	466.55	341.77
FT-A Ind	436.88	431.64	310.80
FT Gold mines	635.9	818.0	256.8
FT Govt secs	82.49	82.75	66.70
TOKYO			
Nikkei-Dow	8468.63	8475.19	7280.82
Tokyo SE	611.56	811.03	533.30
AUSTRALIA			
All Ord.	553.8	537.3	468.8
Metals & Mins.	515.6	498.2	332.8
AUSTRIA			
Credit Aktien	53.57	53.03	52.20
BELGIUM			
Belgian SE	120.66	118.92	101.23
CANADA			
Toronto Composite	2181.5*	2176.7	1623.50
Montreal Industrials	372.08*	369.57	293.13
Combined	364.85*	362.71	276.58
DENMARK			
Copenhagen SE	133.81	131.54	94.98
FRANCE			
CAC Gen	120.8	118.5	100.4
Ind. Tendance	127.4	125.7	113.7
WEST GERMANY			
FAZ-Aktien	302.52	305.39	237.51
Commerzbank	910.7	920.3	724.7
HONG KONG			
Hang Seng	1052.40	1041.36	1208.86
ITALY			
Banca Comm.	201.27	205.38	191.16
NETHERLANDS			
ANP-CBS Gen	131.0	129.1	91.7
ANP-CBS Ind	109.2	109.0	72.9
NORWAY			
Oslo SE	165.90	161.28	101.88
SINGAPORE			
Straits Times	892.96	890.25	741.72
SOUTH AFRICA			
Golds	880.5	858.2	459.4
Industrials	851.9	845.4	592.5
SPAIN			
Madrid SE	116.83	116.00	125.34
SWEDEN			
J & P	1291.81	1294.42	582.01
SWITZERLAND			
Swiss Bank Ind	316.1	313.8	261.5
WORLD	Apr 11	Prev	Yr ago
Capital Int'l	168.9	168.5	133.0

GOLD (per ounce)

	April 12	Prev
London	$432.25	$430.00
Frankfurt	$433.00	$426.75
Zürich	$433.50	$427.50
Paris (fixing)	$435.52	$429.23
New York (April)	$431.90	$431.50

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Apr 12	U.S. DOLLAR Previous	STERLING Apr 12	STERLING Previous
£	1.5415	1.5270	–	–
DM	2.4235	2.4195	3.7375	3.6975
Yen	237.65	237.70	366.5	363.25
FFr	7.2640	7.2550	11.1950	11.0750
SwFr	2.04	2.0450	3.1475	3.1250
Guilder	2.7305	2.7270	4.21	4.1675
Lira	1442.5	1441.75	2223.5	2201
BFr	48.21	48.19	74.30	73.60
C$	1.2320	1.2325	1.8985	1.8820

INTEREST RATES

	April 12	Prev
Euro-currencies (three month offered rate)		
£	10⅛	10⅛
SwFr	4⅛	4 [illegible]
DM	5¼	5 [illegible]
FFr	14⅝	13⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 [illegible]	9 [illegible]
6-month U.S.$	9 [illegible]	9 [illegible]
U.S. Fed Funds	8½	8⅝
U.S. 3-month CDs	8.80	8.95
U.S. 3-month T-bills	8.18	8.17

U.S. Treasury Bonds

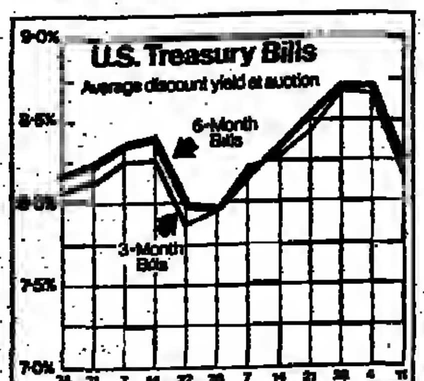
	April 12 Price	April 12 Yield	Prev Price	Prev Yield
9¼ 1985	100 [illegible]	9.45	100 [illegible]	9.49
10½ 1990	101 [illegible]	10.23	101 [illegible]	10.27
10⅝ 1993	103 [illegible]	10.36	102 [illegible]	10.39
10⅜ 2012	99 [illegible]	10.41	99 [illegible]	10.44

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–20	78–04	77–17	77–28
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.81	91.99	91.79	91.93
Cert Deposit (IMM) $1m points of 100%				
June	91.11	91.28	91.07	91.19
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.86	90.94	90.86	90.81
20-year Notional Gilt £50,000 32nds of 100%				
June	108–14	107–18	106–13	106–30

LONDON COMMODITY MARKETS

	April 12	Prev
Silver (spot fixing)	740.15p	729.05p
Copper (cash)	£1082.50	£1074.50
Coffee (May)	£1827.50	£1807.50
Oil (spot Arabian light)	$28.75	$28.80



EUROPE

Aggressive advance in Amsterdam

ANOTHER aggressive buying campaign yesterday took the Amsterdam general index to a new high of 131, a gain of 1.9. In the vanguard of the advance was ABN in a very strong banking sector with a rise of Fl 18.5 to a year-high of Fl 387 following the bank's encouraging annual report. NMB also hit a 1983 high at a close of Fl 157.5, up Fl 8.

Internationals took encouragement from the surge with Unilever rising Fl 4.8 to Fl 223.8, Royal Dutch/Shell Fl 2 to Fl 117, and Philips Fl 1.4 to Fl 48.8. All three set year-highs in the morning but retreated later.

Investment funds also had a sniff of the beady atmosphere, Rolinco adding Fl 4.1 to Fl 285.8 and Rorento 80 cents to Fl 189.8, while Elsevier jumped Fl 14 to Fl 317 – again three new highs for the year.

Paris advanced for the ninth consecutive session in expection of lower U.S. interest rates. Foods and electricals led the advance with Carrefour up a further FFr 55 to FFr 1,520, CIT-Alcatel FFr 35 higher at FFr 1,040 and Legrand up FFr 19 to FFr 1,940.

Banks, construction groups and car manufacturers performed well with Cie Bancaire FFr 6.5 ahead at FFr 349, Dumez up FFr 15 at FFr 765 and Peugeot FFr 5.3 higher at FFr 191.8

A repeat performance in Frankfurt brought early gains sharply back by mid-session for the second day and left the Commerzbank index down 9.8 at 910.7.

Profit-taking and concern over Bayer's dividend levels ruined a promising start, although the more philosophical pointed to a long-overdue reaction to the post-election rally.

Energy and resource extraction issues sparkled in the gloom, with Preussag DM 4 higher at DM 245, and Metallgesellschaft and Degussa both adding DM 2 to DM 228 and DM 280 respectively.

Schering added DM 4 to DM 339 whereas BASF fell DM 2.50 to DM 147.80. The Bayer fears were reflected in a drop of DM 1.90 to DM 136.1 and Hoechst followed with a DM 1 loss to DM 144.8.

Domestic bonds ended mixed to little changed and the Bundesbank bought DM 0.5m worth of public paper against DM 9.1m the previous day.

Active trading in Zurich left most prices higher. Swiss Volksbank added SwFr 45 to SwFr 1,420, while Motor Columbus and Pargesa eased.

A day-long decline in Milan was partially reversed in the final hour. Fiat shed L60 to L2,930, Montedison L4 to L140 and Olivetti L55 to L2,888.

Pirelli SpA dropped L52 to L1,700 and La Centrale lost L120 to L2,445.

Brussels saw some strong gains in active but erratic trading. Petrofina advanced by BFr 280 to BFr 5,500 and Gevaert gained BFr 85 to BFr 2,200, but UCB fell BFr 90 to BFr 3,250. Fabrique Nationale rose BFr 40 to BFr 2,550 and Bekaert gained BFr 50 to BFr 2,850 as news of its investment plans reached the market.

Firmer prices on moderate turnover in Stockholm enabled Alfa-Laval to rise SKr 16 to SKr 400, and Boliden moved SKr 6 higher at SKr 346. AGA rose SKr10 to SKr 337.

A continued Madrid advance showed Telefonica adding Pta 4 to Pta 72.50. Of the banks, Popular and Vizcaya each added Pta 3.

SOUTH AFRICA

Gains eroded

CLOSES below the day's highs were common among Johannesburg golds as profit-takers eroded the gains achieved on bullion's strength.

But substantial advances were recorded by heavyweights such as Randfontein, up R8 at R188. Mining financials showed Anglo-American R1 ahead at R23.25 and De Beers up 22 cents at R9.25.

Industrials finished quietly mixed.

FAR EAST

Speculators become spectators

HIGH PRICES and the high level of margin buying positions were sufficient to limit many Tokyo investors to a spectator role yesterday.

Turnover at 360m shares, although some 100m more than the previous session, was still small enough to prolong the wait-and-see stance of the market which is expected to continue throughout the week. The Nikkei-Dow index closed 6.56 down at 8,468.63.

Some attention was paid to internationals after the overnight Wall Street advance, but recent sharp gainers such as railway companies, paper pulps and other low-priced large-asset issues fell on profit-taking.

Manufacturers of electrical components are presently in vogue, with Alps adding Y30 to Y2,000, and Nichicon Capacitor and Tamura Seisakusho receiving attention but showing little price movement.

Kyocera, formerly Kyoto Ceramic, rose Y110 to Y4,820, Toyota Motor gained Y30 to Y1,080, while Mitsubishi Corp fell Y1 to Y520

Government bonds were mixed with strength at the long end.

Stocks moved higher again in Hong Kong in modest trading with the Hang Seng index up 10.54 at 1,052.40 at the close. The 1,100 level seems attainable if fresh bullish news permeates the market soon.

Most leading shares closed steady or marginally higher. Cheung Kong was unchanged at HK$10.20 and Hongkong Land added 12 cents to HK$4.47.

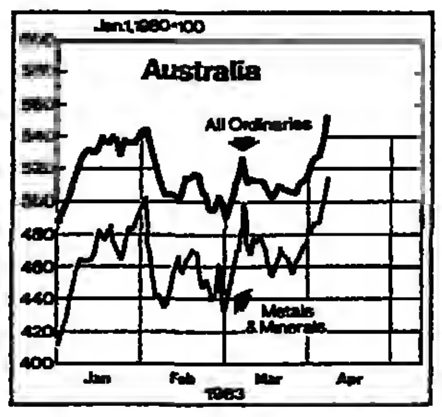
Sun Hung Kai Properties closed HK$7.15 ex-dividend compared with HK$7.30.

Hongkong and Kowloon Wharf's 15.3 per cent rise in 1982 net operating profits to HK$382m was reflected in its HK$3.90 share close, a gain of three cents.

Profit-taking was also in evidence in Singapore where share prices closed mixed following a dynamic opening in selective trading.

The Straits Times industrial index, now poised to break through the 900 barrier, gained 2.71 to close at 892.96. Advances were slightly ahead of declines with 175 issues unchanged. Trading volume at 20.7m shares exceeded 20m for the first time in three weeks.

Banks performed well, with UOB ahead 20 cents at S$4.70 in very active trading, while OCBC, which had risen strongly last week, managed 10 cents at S$12. DBS put on 20 cents to S$9.90.



AUSTRALIA

Summit cheer

THE DRIVE towards wage restraint and a revitalised economy being undertaken at the Canberra national summit prompted Sydney investors to buy heavily, taking the All Ordinaries index 18.4 upward to a 14-month high of 553.8.

Particularly in demand were metals and minerals, with the sectoral indicator showing a 17.7 gain to 515.6, and oil and gas issues, which added 22.7 to 434.4. Turnover worth A$26.61m was nearly double recent levels.

A parcel of 5m shares in TNT crossed at A$1.62, while the stock closed 12 cents up at A$1.67.

BHP, which is pressing the Labor Government for steel import protection, advanced 28 cents to A$7.08 for a two-day rise of 42 cents.

Gains outweighed declines in Melbourne by 215 to 25.

LONDON

Euphoria soured by rates doubt

THE SCENT of cheaper borrowing was heavy again yesterday and London stock markets opened on a euphoric note, with Wall Street's confident response overnight to a slackening of U.S. money supply as an extra incentive. With sterling extending its strong advance, the scene appeared to be set for another session of rising equity and gilt-edged values. Both sectors went sharply ahead, but the pace proved to be too fast.

The authorities' continued reluctance to lower money market intervention rates posed further questions and confused markets which were expecting official signals to the retail banks about base rates. These doubts sapped confidence and left gilts particularly vulnerable, despite the Bank of England's later assistance in credit markets being taken as a hint of its approval of a cut in base rates.

As profit-taking developed, early gains of ¾ among selected longer gilts were wiped out. Attempts to recover petered out and quotations eventually settled with net falls ranging to ½.

Equity market investors dismissed rumours that GKN was experiencing problems with underwriting a surprise £80m rights issue. The sharp reaction in the GKN share price, which fell to 156p before closing 16p off at 162p, was attributed to profit-taking after a marked recovery over the past few months.

Investment confidence began to improve again in the late afternoon and the FT Industrial Ordinary Share index, 6.8 higher at the first count of the day, closed a net 3.8 up at a closing record of 887.7; the fall in GKN took nearly 2½ points off the index.

South African golds raced ahead to their best levels since late February and Australians continued their recent surge

Share information service, Pages 34–5

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12⅞	5¾	AAR	.44	4.0	17	41	11	10⅞	11	+⅛
38	27½	ACF	2.76	8.4	9	298	32¾	32⅛	32¾	+¼
20	12⅛	AMF	1.36	8.9	32	405	17⅛	16¾	17	
28⅝	13¾	AMR Cp				1666	26⅝	25⅞	25⅞	−½
14⅞	4	AMR	wt			711	13	12⅞	12¾	−⅛
18¼	12⅞	AMR	pf2.18	12.		25	18	17⅞	17⅞	−⅛
32⅞	24⅞	AMR	pf2.13	7.0		1027	30⅞	29⅞	30⅞	−⅛
6⅝	2½	APL				12	5⅞	5⅝	5⅝	−⅛
47⅞	24¼	ARA	2.05	4.4	14	842	47½	46½	47	+⅛
79⅞	24½	ASA	3a	4.4		622	68¼	67⅞	68¼	
28¼	13⅞	AVX	.32	1.3	33	365	25⅞	25	25⅞	+
44⅞	27⅞	AbtLab	1	2.3	17	2428	43¼	42⅞	43	+⅛
29¾	26½	AccoW	s.12a	.4	21	93	28¼	27⅞	28⅞	+1⅛
22½	15⅞	AcmeC	.40	2.9	23	38	22½	20	22⅛	−⅛
12⅞	5¼	AcmeE	.32b	3.9	28	[illegible]	10⅞	10⅞	10⅞	−⅛
17⅞	4¼	AdmDg	.04	.2	15	179	16⅞	16½	16⅞	
17⅞	12½	AdaEx	1.73e	11.		74	16	15⅞	16	
9⅝	4⅞	AdmMl	.20e	2.2	13	51	9⅝	9	9¼	−⅛
24¼	12⅞	Advest	s.18	.7	15	188	24⅞	23	23⅞	−½
39¼	13	AMD	s		43	1790	34⅛	33½	33¾	+⅛
47⅞	32⅞	AetnLf	2.64	8.6	6	1478	33⅞	30⅞	33	
60	52⅞	AetL	pf3.70e	6.4		124	58¼	58	58¼	+⅛
37⅞	6	Ahmns	.80	1.8		4307	37½	36	37	+1
4	2⅞	Aileen				104	3⅞	3	3⅞	
45⅞	29⅞	AirPrd	.80	2.9	12	206	41⅞	40⅞	40⅞	−⅛
[illegible]	[illegible]	AirbFrt	.60	5.0	26	302	20¼	19⅞	20	+⅛

[illegible]

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

W–W–W

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¾	15⅛	WICOR	2.14	11.	10	15	20¼	19¾	20¼	+ ⅛
39⅛	23	Wachov	1.40	3.6	10	147	38⅞	38½	38¾	
29⅞	12⅜	Wackht	.44b	1.6	12	178	28⅛	27⅞	28⅛	– ⅛
14½	4⅛	Wainoc				42	5	4⅞	5	+ ⅛
60⅞	23⅞	WlMrt	s.28	.5	33	878	59⅞	58	59⅞	+1
65	27	WlMrt	pf			15	64	34	64	+1½
31⅞	12⅞	Walgrn	s.60	2.0	16	478	30⅞	28⅞	30⅛	+1⅛
19¼	12	WkHRs	g1.32			58	18⅞	18⅞	18⅞	– ⅛

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 18 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Apr 12	Vers.
AMCA Int.	25⅞	+ ⅛
Abitibi	22½	+ ½
Agnico Eagle	17½	- ⅛
Alberta Energy	14½	- ¼
Alcan Alumn	36⅝	- ¾
Algoma Steel	29¾	+ ⅝
Asbestos	11½	-
Bk Montreal	31¼	+ ⅜
Bk Nova Scotia	42⅛	+ ⅛
Basic Resources	8 8	- 8.1
Bell Canada	25⅝	- ⅛
Bombardier A	-	-
Bow Valley	18¼	+ ¼
BP Canada	-	-
Brascan A	28⅝	+ 1
Brinco	3 05	-
B. C. Forest	10⅝	-
CIL Inc	26	+ ⅜
Cadillac Fairv.	8⅛	-
Can Cement	15⅞	+ ⅛
Can NW Energy	25	- ¾
Can Packers	39½	-
Can Trustco	42	- ¼
Can Imp Bank	36⅞	+ ⅜
Canadian Pacific	43½	+ ½
Can P. Ent.	22⅜	+ ¼
Cdn Tire	80	- 1
Carling O'Kfe	13⅛	-
Chieftain	21¼	+ ½
Cominco	45½	-
Cons Bathst A	19½	-
Coseka Resources	3.4	-
Costain	8½	+ ⅛
Daon Devel	1.88	- 0.04
Denison Mines	35⅛	+ ⅜
Dome Mines	23¼	- ⅛
Dome Petroleum	3 15	- 8 05
Dom Foundries A	42⅛	+ ⅛
Dom Stores	16¾	- ⅛
Domtar	23⅞	-
Falcon Ltd	58¼	+ 1
Genstar	24⅛	- ⅛
Giant Y'knife	23	- ⅛
Gt West Life	195	-
Gulf Canada	15⅛	+ ¼
Gulfstream Res.	1 68	+ 9.1
Hawk Sid Can	11⅝	- ⅜
Hudson Bay Mng	11¾	-
Hudson's Bay	22⅞	+ ⅛
Husky Oil	9¾	+ ⅜
Imasco	34¾	+ ½
Imp Oil A	33⅛	+ 1½
Inco	15⅝	- ⅛
Indal	16	-
Interpr Pipe	27	+ ¾
Mac. Bloedel	27½	- ⅜
Marks & Spencer	12½	+ ⅞
Massey Ferg	8 75	- 8.15
McIntyre Mines	27½	+ ½
Mitel	25⅝	- ⅛
Moore Corp	58½	+ ¼
Nat Sea Prods A	9¾	-
Noranda Mines	23⅝	+ ¼
Nova Alberta	8½	- ¼
Nthn Telecom	97	+ 1¼
Oakwood Pet	6⅝	+ ⅛
Pacific Copper	1 05	+ 8.03
Pancanadian Pet	21⅝	+ ⅜
Patino	23	-
Placer Devt	21⅛	- ¼
Power Corp Can	15⅞	+ ⅜
Quebec Strgn	7⅞	+ ¼
Ranger Oil	8	+ ¼
Reed Stenhse A	15⅝	-
Rio Algom	47	-
Royal Bank	32½	- ⅛
Royal Trustco A	24	-
Sceptre Res	5 12	+ 8.12
Seagram	34½	+ ⅛
Shell Can A	23¼	- ⅛
Steel of Can A	24½	+ ¼
Teck B	10⅛	+ ⅜
Texaco (Canada)	32½	+ 1
Thomson News A	31¼	+ ¼
Toronto Dom Bank	47⅝	+ ¼
Transalta A	21¼	-
Trans. Can. Pipe	24⅞	- ⅛
Walker (H) Res	22½	-
Westcoast Trans	14⅛	-
Weston (Geo)	52½	- ⅛

AUSTRIA

Apr. 12	Price Sch%	+ or —
Creditanstalt	215	....
Goesser	343	....
Interunfall	370	....
Landerbank	212	....
Perimooser	300	—6
Steyr Daimler	187	+7
Veitscher Mag	212	+2

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

Apr. 12	Price Kroner	+ or —
Aarhus Olie	356	—5
Andelsbanken	274	+0.4
Baltica Skand.	470	—1
CopHandelsbank	261.6	....
D. Sukkerfab.	500	+1
Danske Bank	273.5	....
East Asiatic	123	—0.2
Forende Brygg.	807	....
Forende Damp.	199.6	+0.6
GNT Hldg.	349.6	+33.6
I.S.S.B.	482	+18
Jyske Bank	489	+6
Novo Ind	2080	....
Privatbanken	264	—0.2
Provinsbanken	222.4	+1.2
Smidth (F.L.)	217	—0.2
Sophus Berend.	720	—34.4
Superfos	175	+5

FRANCE

Apr. 12	Price Frs.	+ or —
Emprunt 4½% 1973	1,940	+23
Emprunt 7% 1973	8,400	+100
CNE 3%	3,229	+39
Air Liquide	491	+2
BIC	520	+8
Bouygues	685	+1
BSN Gervais	1,680	—50
CIT Alcatel	1,040	+35
Carrefour	1,520	+55
Club Medit.	704	—5
CFAO	493.5	+18
Cie Bancaire	349	+6.5
Cofimeg	157.9	—0.1
Creusot Loire	64.5	+0.5
Darty	716	+18
Dumez	765	+15
Eaux (Cie Gen)	520	+15
Elf-Aquitaine	145	+8
Gen. Occidental	524	+14
Imetal	61.4	+0.5
Lafarge-Coppee	265	+5.5
L'Oreal	1,460	—40
Legrand	1,953	+32
Maisons Phenix	464	....
Matra	1,390	+40
Michelin B	814	+13
Midi (Cie)	795	+6
Moet-Hennessy	1,010	—40
Moulinex	81.9	+2.3
Nord Est	50	—1
Pernod Ricard	497	+14
Perrier	288	+12.5
Petroles (Fra.)	168.5	+4.5
Peugeot-SA	121.8	+5.6
Poclain	90	—1.5
Printemps Au	125	+4.1
Radiotech	362	+7
Redoute	918	+13
Roussel-Uclaf	319	+9
Schneider	124.5	....
Sefimeg	196	+3.5
Skis Rossignol	830	+10
Telemech Elect.	1106	+110
Thompson (CSF)	212.5	—1.6
Valeo	265	....

GERMANY

Apr. 12	Price Dm.	+ or —
AEG-Telef	62.1	—0.4
Allianz Vers.	589	—9
BASF	147.8	—2.5
Bayer	136.1	—1.9
Bayer-Hypo	308	....
Bayer-Verein	340	—3
BHF-Bank	257.5	+4.5
[illegible]	[illegible]	[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elec	257	— 5
BET Defd	243	+ 2
CRA	287	+10
Carr Boyd	84	+12
Eagle Star	410	— 3
Dunlop	58	+ 2
GKN	162	—16
ICI	416	+12
Johnston Group	330	+30
Randfontein	£98	+ 4⅝
RTZ	543	+ 3
Unigroup	57	+ 5

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Mon. close	Day's change
Glaxo	21	810	—50
Lon & Liv Tst	21	400	—19
Saxon Oil	21	170	—15
LASMO New	18	83pm	+13
Fleet Hldgs	17	73	+ 7
BTR	15	416	— 8
Ultramar	15	575	+25
Electro - Prtctv	14	224	+14
Phoenix Ass	14	316	+ 8
Sotheby's	14	525	+35
BAT Inds	13	685	— 5
Com Union	13	146	+ 7
Cns Gold Flds	13	618	+15
Shell Trans	13	504	+16

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (254)

INT. BK. & O'SEAS GOVT. STLG. ISS. (3)
COM WEALTH & AFRICAN LOANS (1)
LOANS (1)
FOREIGN BONDS (3)
AMERICANS (7)
BANKS (5)
BREWERS (1)
BUILDINGS (5)
CHEMICALS (7)
DRAPERY & STORES (8)
ELECTRICALS (16)
ENGINEERING (18)
FOODS (5)
HOTELS (3)
INDUSTRIALS (39)
INSURANCE (10)
LEISURE (2)
MOTORS (7)
NEWSPAPERS (1)
PAPER (3)
PROPERTY (17)
SHIPPING (3)
SHOES (1)
TEXTILES (4)
TRUSTS (45)
OIL & GAS (20)
OVERSEAS TRADERS (7)
PLANTATIONS (2)
MINES (10)

NEW LOWS (11)

BUILDINGS (1)
Vibroplant
ELECTRICALS (2)
A. & G. Sec. Elec. Molynx
ENGINEERING (1)
Martonair
INDUSTRIALS (1)
Star Computer
NEWSPAPERS (1)
Portsmouth Sund'land
SHOES (1)
FII Group
TRUSTS (1)
Authority Inv.
OIL & GAS (2)
Lon. Am. En'gy N-V Lon. Am. En'gy Inv.
MINES (1)
Metramar

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 28	Apr 15	June 30	July 11
Apr 18	Apr 29	July 14	July 25
May 3	May 13	July 28	Aug 8

For rate indications see end of Share Information Service

Stocks to attract money for the call included Minet, W. E. Norton, Aitken Hume, Turner and Newall, Erith, Marinex, Haoma Gold, Charterhall, Premier Consolidated, Phoenix Assurance, Trident TV, Debenhams, Dares Estates, Pleasurama, Astra Industrial, Central and Sheerwood and Hanson Trust.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues April 12 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon April 11 Index No.	Fri April 8 Index No.	Thur April 7 Index No.	Wed April 6 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	[illegible]	+1.6	8.29	3.64	15.24	465.62	459.58	456.81	448.62	359.38
2	Building Materials (23)	[illegible]	+0.5	9.42	4.35	12.89	440.91	438.08	442.15	432.57	319.58
3	Contracting, Construction (30)	[illegible]	+0.5	11.25	4.23	10.69	792.75	789.43	792.44	776.70	582.82
4	Electricals (33)	[illegible]	+3.2	6.70	1.95	19.28	1725.82	1689.61	1654.43	1617.71	1254.07
5	Engineering, Contractors (10)	[illegible]	+1.0	14.63	6.24	8.37	474.53	464.06	464.04	442.33	483.19
6	Mechanical Engineering (64)	[illegible]	+0.5	10.74	5.24	11.57	228.80	227.31	228.64	226.09	187.78
8	Metals and Metal Forming (11)	[illegible]	—2.0	10.48	6.32	11.65	186.36	184.67	187.60	185.31	156.77
9	Motors (18)	99.41	+1.1	8.41	6.29	—	98.29	97.05	96.91	97.81	95.79
10	Other Industrial Materials (17)	[illegible]	+0.2	7.22	5.00	18.41	447.22	444.25	440.47	438.33	366.26
21	CONSUMER GROUP (201)	[illegible]	+1.0	9.78	4.15	12.40	432.29	429.56	428.46	423.46	293.85
22	Brewers and Distillers (23)	[illegible]	+0.3	11.04	4.67	11.06	457.42	453.39	449.54	443.70	294.22
25	Food Manufacturing (21)	[illegible]	+1.2	13.34	5.49	8.76	344.57	343.65	343.01	339.42	268.98
26	Food Retailing (14)	[illegible]	+1.3	7.26	2.77	17.32	864.60	848.43	843.49	828.98	592.28
27	Health and Household Products (8)	[illegible]	+2.1	5.17	2.27	22.97	811.51	826.94	816.47	809.13	398.85
29	Leisure (24)	[illegible]	+0.6	7.29	4.43	17.97	541.75	536.63	531.46	525.28	440.60
32	Newspapers, Publishing (14)	[illegible]	+0.5	7.81	4.05	16.77	798.89	790.99	787.91	765.59	532.71
33	Packaging and Paper (14)	[illegible]	+1.0	12.53	6.13	9.41	161.84	160.75	159.20	160.27	140.43
34	Stores (48)	387.30	+1.7	7.76	3.55	17.11	380.99	373.59	374.12	365.49	268.48
35	Textiles (22)	[illegible]	+1.0	12.25	5.35	9.79	206.80	202.82	202.28	199.16	169.38
36	Tobaccos (3)	462.73	—2.4	20.62	6.68	5.43	474.02	474.72	488.09	448.83	306.79
39	Other Consumer (10)	381.55	+0.7	6.63	3.82	—	378.99	373.46	374.24	373.04	289.46
41	OTHER GROUPS (79)	340.61	+1.3	8.91	4.78	13.81	336.08	332.45	333.04	330.16	251.48
42	Chemicals (15)	449.56	+1.9	8.81	5.35	14.17	441.81	435.18	436.92	431.15	328.70
44	Office Equipment (6)	107.80	+3.2	8.18	5.00	15.74	104.41	103.13	103.48	103.47	122.28
45	Shipping and Transport (14)	666.87	+1.4	11.94	6.08	10.69	657.91	649.98	649.63	638.38	558.09
46	Miscellaneous (44)	470.95	+0.5	8.51	3.95	14.28	468.16	464.41	464.41	462.75	321.62
49	INDUSTRIAL GROUP (486)	436.88	+1.2	9.15	4.06	13.44	431.64	427.68	426.33	418.53	320.98
51	Oils (14)	859.81	+1.1	12.77	6.80	9.54	850.52	824.42	820.58	818.90	690.05
59	500 SHARE INDEX	472.13	+1.2	9.72	4.49	12.64	466.55	460.70	459.36	451.08	341.77
61	FINANCIAL GROUP (121)	319.75	+1.7	—	5.74	—	314.33	310.99	309.86	307.09	249.56
62	Banks (6)	332.71	+1.8	27.19	7.40	4.85	326.92	320.41	319.34	318.45	263.21
63	Discount Houses (8)	314.18	+1.6	—	7.77	—	309.98	302.65	302.54	291.43	222.94
65	Insurance (Life) (9)	398.42	+2.4	—	5.29	—	389.25	391.93	394.28	392.09	265.83
66	Insurance (Composite) (10)	212.58	+1.6	—	7.06	—	209.28	205.88	203.75	201.60	156.36
67	Insurance Brokers (7)	631.47	+0.7	10.43	4.67	13.06	626.90	616.29	616.18	614.13	479.85
68	Merchant Banks (13)	170.22	+1.6	—	5.11	—	167.59	166.07	165.38	163.98	108.55
69	Property (54)	478.92	+1.8	5.42	3.66	24.39	470.29	467.20	463.27	460.61	434.73
70	Other Financial (34)	253.25	+1.3	11.44	5.04	10.49	249.96	250.78	250.36	247.44	173.79
71	Investment Trusts (109)	421.93	+1.1	—	4.05	—	417.16	413.51	412.91	412.13	308.73
81	Mining Finance (4)	268.21	+0.9	6.79	5.29	20.57	265.88	260.48	260.65	255.04	203.42
91	Overseas Traders (16)	445.07	+1.1	9.27	8.17	15.31	440.21	435.21	432.86	430.70	368.66
99	ALL-SHARE INDEX (750)	433.66	+1.3	—	4.72	—	428.22	423.81	421.64	415.96	317.90

FIXED INTEREST

	PRICE INDICES	Tues April 12	Day's change %	Mon April 11	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.60	—0.08	117.81	0.03	2.96
2	5-15 years	130.33	—0.18	130.57	—	4.47
3	Over 15 years	142.86	—0.34	143.57	0.22	2.71
4	Irredeemables	153.90	—	153.90	—	1.62
5	All Stocks	130.01	—0.20	130.33	0.07	3.49
6	Debentures and Loans	104.05	—0.04	104.09	—	3.83
7	Preference	79.92	+0.13	79.82	—	2.51

	AVERAGE GROSS REDEMPTION YIELDS		Tues April 12	Mon April 11	Year ago (approx.)
	British Government				
1	Low	5 years	9.22	9.19	12.39
2	Coupons	15 years	9.97	9.91	13.05
3		25 years	9.78	9.73	13.00
4	Medium	5 years	11.18	11.13	14.51
5	Coupons	15 years	10.72	10.68	14.28
6		25 years	10.12	10.09	13.83
7	High	5 years	11.26	11.24	14.44
8	Coupons	15 years	10.98	10.89	14.42
9		25 years	10.27	10.22	14.02
10	Irredeemables †		9.69	9.69	12.96
11	Debs & Loans	5 years	12.03	12.03	15.37
12		15 years	12.03	12.03	15.13
13		25 years	12.03	12.03	15.03
14	Preference †		12.29	12.31	15.48

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	7	60	32
Corpns. Dom. & Foreign Bonds	16	3	60
Industrials	469	156	718
Financial & Props.	280	30	200
Oils	48	15	46
Plantations	3	3	16
Mines	94	3	56
Others	86	39	46

FINANCIAL TIMES STOCK INDICES

	April 12	April 11	April 8	April 7	April 6	April 5	year ago
Government Secs.	82.49	82.75	81.90	81.81	82.03	80.97	66.70
Fixed Interest	84.23†	84.25	83.78	83.47	83.41	82.89	67.33
Industrial Ord.	687.7	683.9	675.0	672.2	663.9	654.0	551.6
Gold Mines	636.2	618.0	598.7	602.6	590.5	582.5	256.6
Ord. Div. Yield	4.64	4.68	4.66	4.68	4.74	4.81	6.67
Earnings, Yld.% (full)	9.39	9.43	9.48	9.61	9.88	10.13	11.38
P/E Ratio (net) (*)	12.96	12.90	12.84	12.80	12.12	11.98	11.03
Total bargains	24,504	26,361	27,745	27,336	27,805	28,305	15,558
Equity turnover £m.	—	211.16	302.94	357.0	264.37	397.92	25.03
Equity bargains	—	21,667	24,459	23,983	24,086	27,096	10,436
Shares traded (ml)	—	147.7	205.0	238.9	174.6	161.7	68.9

10 am 680.5. 11 am 687.3. Noon 687.3. 1 pm 686.4.
2 pm 686.8. 3 pm 688.4.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.
†Correction.
Nil = 12.08.
Latest Index 01-246 8026.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.25 (11/4)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	687.7 (12/4)	598.4 (12/1)	687.7 (12/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (18/2)	531.5 (28/5)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 11	April 8
—Daily Gilt Edged Bargains	196.1	166.0
Equities Bargains	140.4	158.5
Value	426.8	613.5
5-day Avrge Gilt-Edged Bargains	192.9†	189.2
Equities Bargains	167.2	160.7
Value	591.5	589.0

NEW YORK AND CANADA

Indices

NEW YORK - DOW JONES

	Apr 12	Apr 11	Apr 8	Apr 7	Apr 6	Apr 5	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1145.32	1141.83	1124.71	1117.65	1113.49	1128.16	1145.9 (24/3)	1027.04 (3/1)	1145.9 (24/3/83)	41.22 (2/7/32)
Transport	507.78	506.91	509.37	506.11	501.69	503.18	519.7 (24/3)	434.24 (3/1)	519.7 (24/3/83)	12.23 (8/7/32)
Utilities	125.46	125.8	124.31	124.35	124.4	124.68	129.84 (1/3)	119.48 (3/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's†	7874	8144	6771	6848	7714	7881	-	-	-	-

	Apr 8	Mar 31	Mar 25	(Year Ago Approx)
Ind div yield %	4.88	4.86	4.79	6.61

STANDARD AND POORS

	Apr 12	Apr 11	Apr 8	Apr 7	Apr 6	Apr 5	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	174.56	173.94	171.32	170.02	169.21	170.32	174.56 (12/4)	154.95 (3/1)	174.56 (12/4/83)	3.52 (30/6/32)
Composite	155.82	155.14	152.85	151.76	151.04	151.89	155.82 (12/4)	138.34 (3/1)	155.82 (12/4/83)	4.4 (1/6/32)

	Apr 6	Mar 30	Mar 23	Year Ago (Approx)
Ind div yield %	4.20	4.22	4.25	5.73
Ind. P/E Ratio	12.94	13.12	13.08	7.81
Long Gov Bond Yield	10.46	10.60	10.59	13.34

N.Y.S.E. ALL COMMON

Apr 12	Apr 11	Apr 8	Apr 7	1983 High	1983 Low
89.46	89.07	87.87	87.32	89.46 (12/4)	79.79 (24/1)

RISES AND FALLS

	Apr 12	Apr 11	Apr 8
Issues traded	1907	823	1878
Rises	899	67	870
Falls	634	486	585
Unchanged	374	370	435

MONTREAL

[illegible]

TORONTO Composite

[illegible]

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 31

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COMMODITIES AND AGRICULTURE

Frost hits Soviet grain crops hard

SOVIET GRAIN losses are heevy in some ereas although the Soviet Union experienced one of the mildest winters on record, according to the U.S. Agriculture Department. Significant areas of winter grains will require re-sowing in the southern and eastern Ukraine and the North Caucasus due to "winterkill" the department said.

● CITRUS EXPORTS by Israel this season will be way below the 44m cases expected by the Citrus Marketing Board. With more than three-quarters of the 1982-83 crop shipped, under 31m cases heve been exported, leaving only 7m cases at most, including some 4m cases of late-ripening Valencia oranges. The shortfall lo due to storms, hail and heavy rainfall.

● JAMAICA has been loaned $25m (£16m) by Jepan to produce coffee on 3,500 acres of undeveloped land in an attempt te triple current coffee earnings, the Government said in Kingston. Mr Edward Seaga, the Prime Minister, said Jamaica earned $8m annually from coffee, and he estimated that eernings after four years could be boosted by another $17.5m. Planting will start by the end of 1983 end the first coffee beans should be harvested in four years.

● MALAYSIAN RUBBER output rose to 146,973 tonnes in January from 135,671 (revised) In December but was slightly lower than 135,671 (revised) in December but was slightly lower than the 147,113 tonnes output in January 1982, official statistics show. January exports dropped to 94,667 tonnes from 105,000 a menth earlier and 119,704 in January 1982.

● COTTON PLANTING has been delayed in California because fields are wet and soil is cold, sccording to the April edition of the Santa Fe Crop Report. The problem is not considered serious yet, but fine weather is needed, the report said.

Soluble coffee prices set to rise 10% in June

BY ROWENA WHELAN

THE UK retail price of soluble (instant) coffee will increase by 10 per cent in June, putting about 10p on a jar, and could go up further in the autumn as major manufacturers react to a combination of higher green bean prices and the fall in the value of sterling.

Maxwell House and So-Tenco, the Lyons Tetley coffee subsidiary, said yesterday that the 10 per cent rise is the lowest possible in the face of adverse conditions. They warned that a further increase of up to 10 per cent is possible in September or October if the dollar-sterling exchange rate does not move back in sterling's favour.

The manufacturers' price increase will be effective from May and be felt in the shops by early June. Manufacturers claim they have been hit by the recent surge in the market which took prices to a three-year high last menth.

On March 30, coffee stood at £1,940.5 a tonne on the London robusta futures market, up from the year's low ef £1,558 on Jonuary 10. However, prices have fallen back recently and yesterday July futures were £1,653 e tonne.

Mr Charles Druce, managing director of Sol-Tenco, said the rise in the cost of raw materials justified e retail price rise ef up to 20 per cent and the additional 10 per cent increase will be necessary if the market price does not come down.

However, be pointed out that coffee was still cheaper than six years ago when a failure in Brazil's crop led to massive increases in shop prices.

Maxwell House said UK sales ef soluble coffee increased by 2 per cent in the year to February and were worth around £300m. The business in ground coffee improved by "leeps and bounds" to a valns ef £45m from £30m the previous year.

Nestles is also expected to put up prices in line with other manufacturers.

Challenge by Chicago traders

BY NANCY DUNNE IN WASHINGTON

THE Chicage Board of Trade is wielding its superior size te dislodge the carefully built energy hegemony of the New Yerk Mercantile Exchonge.

In its first heod-on challenge to Nymex, the Chicago Board of Trade's crude oil contract—launched the same day as the New York Merc's contract—has taken e commanding lead in daily volume. Last week, the first full week of trading, CBT floor traders enthusiastically supported the contract, boosting daily volume te 2,000-3,000 contracts.

Nymex daily velume has averaged abont 1,000 contracts. However, Nymex efficials insist that they have the support of the industry. In fact, open interest, which indicates hedging activity, has been higher in New Yerk than in Chicago, hut the CBT open interest has been consistently climbing.

Both contracts are off to fair starts with wide industry support. Crude oil surpluses have created an increased need for e price-setting mechanism, and companies drilling for new oil are anxious to hedge.

Nymex efficials are boping fer increased co-operation with the International Petroleum Exchange in London, which is expected to introdnce two crude oil contracts in the eutumn. The exchanges already have e direct telephone link, in frequent use fer srbitrage between the Nymex heating oil and IPE gas oil contracts.

Discussions are currently taking place with the International Commodities Clearing House (ICCH) to see whether the cost of arbitrage between the two markets can be reduced.

Record U.S. futures trade

BY OUR COMMODITIES STAFF

MARCH TRADING en the Chicago Board of Trade tetalled 5,008,757 contracts, 18.5 per cent higher than in the same month last year.

The rise has been ottributed to the impact ef the payment-in-kind (PIK) programme on agricultural prices and the ganeral effect of the fall in Opec ell prices.

A new record was set fer open interest in options on Tressury Bond futures on March 28 when the total reached 28,829 contracts.

Tetal volume fer the year so far reached 13,818,781 contracts, up 20.2 per cent from the 1982 first quarter.

Bonds continued to be the exchange's most beavily-traded contraet, with March volnme totalling 1,600,367 contracts taking the first quarter aggregate to 4,382,083 contracts.

Sharp fall in London tin values

By Our Commodities Editor

TIN PRICES dropped sharply on the London Metal Exchange yesterday as heavy selling hit the market. Three months standard tin closed £140 down at £9,130.5 a tonne, after sinking to £8,850 at one stage.

The decline in London came in spite of e rise in the Penang market overnight, which took the Straits tin price up by M$0.26 to M$31.81 a kilo, close to the middle price range of the International Tin Agreement.

Traders said heavy selling in London initially failed to meet any buying support and prices collapsed. However, buying support came in from one source, and it is believed that the buffer stock of the International Tin Council was an active buyer in later dealings.

The recent recovery in sterling means that London valnes have to be re-adjusted in relation to Penang, but the buffer stock will ebviously be keen to ensure that London does not undermine the recovery in Straits tin.

Meanwhile, the International Tin Council buffer stock reported yesterday that it held 31,061 tonnes of tin at the end of December under the sixth International Tin Agreement, down from 32,726 tonnes at the end ef last September.

The sixth Tin Pact came into force on July 1, 1982, when 27,666 tonnes were transferred from the previeus fifth Tin Agreement.

The further rise in sterling during the afternoon brought a lato downturn in copper, which had earlier moved np sharply. After reaching a peak ef £1,122 on speculative buying interest, three months high-grade copper fell back to £1,105 in late trading.

Chilly spring days

BY A SPECIAL CORRESPONDENT

THE AGRICULTURAL consequences of this year's abnormal spring weather are hard to assess. Rural felklore is full of connections between the springtime behaviour of wildlife and the progress of vegetation, such as:

"When the cucko comes to the bare thorn,
Sell your cow and buy your corn."

This saying suggests that a late spring will bring a poor hay harvest but a better grain crop later in the year.

As s general rulo, these traditional saws tend to rely on the fact that spells of extreme weather will in due course be counterbalanced by an opposite extreme. So while a cold spring will inevitebly delay the growth of grass, subsequent improvements in the weether will probably result in a better cereal harvest.

An examination of ovailable meteorological statistics dees not provide any clear evidence thet one type of spring will be followed by any given type of summer. Furthermore, the complex way in which crops respond to various combinations ef weather means that it is even more difficult te prediet tha quality of the harvest.

The fact that cereals are capeble of ebsorbing most normal meteorological fluctuations does, however, give the impression ef predictability. For instance, in 1979, despite an ewful cold wet winter and spring—and contrary to many gloomy forecasts—a moderate summer produced a successful harvest.

The reason cereals fare well in Britain is that normally they do not fully exploit the growing season and so relatively cool wet springs ond summers produce heavier harvests. Only in the very rare instances whan the grewing season is unremittingly cold and wet will the grain not ripen properly, and yields will be poor. By contrast, hot dry summers, such as those of 1975 and 1976, produce early very light harvests.

Where s cold spring can have s lasting effect en yields is in the case of those crops that need more than their fair share of warmth. Obvious examples af these that are close to their climatic limits in Britain are maize and vines. The high yields achieved in the early 1970s, which encouraged farmers to rapidly increase plantings of maize, have not been sustained. Recent cold springs and cool summers have produced disappointing harvests and may explain the 35 per cent reduction in the aree planted to maize between 1977 and 1980.

In the case of vines, a delay in tho flowering stage, which normally occurs in early June, generally means a poor harvest, while an early flowering usually produces e good vintage. When it is cold and wet the vine flowers late, contracts diseases and loses many embryo grapes. Those that do survive often ferm thick skins and small fruit.

In view of the limited acreage of vineyards in England, the differences caused by the weather can better be gauged from the statistics for the Rhine and Mosello regions.

An evon more important and widespread factor of spring weather is the incidence of killing frosts. Be it damage to fruit in Britain, maize in the Mid-West U.S. or to winter wheat in the Soviet Union, unseasonably late and hard frosts are the scourge of farmers around tbo glebe.

There is no simple rule of thumb as te how much frost is needed te kill crops. It will depend net enly on the intensity of the frost and whether it is accempanied hy wind, but also the type of crop and its stage of development.

Apples provide s good example of tho variability of respense. A temperature ef minus 8 degrees centigrade will cause damage et the breaking bud stage but only minus 2 degrees centigrade is needed at the full flower stage. Tho most damaging combination is early warmth which brings the blossom en fast, followed hy e sharp frost. Conversely, the eptimum conditions seems to be a cold winter fellowed by e sustained riso in temperature during the spring as happened last year.

Though often localised, tato frosts can cause widespread damago as the cold spell at the end of April 1981 demenstrated when half the Bramloy crop was lost. But this experience was minor compared with the frosts of May 12 te 19, 1935, when over four-fifths ef the British fruit crop was lost.

Severe tato frosts in both 1938 ond 1941 fellowing en the disaster of 1935 led to fears among fruit growers that o permanent climatie chango had occurred. This concern was mispleced and, by the same score, to place too much emphasis on the frequent late cold spells ef receot years may be a similor ever-reaction.

What is certain is that the British Isles, as well as ether parts of the northern hemisphere, can expect to suffer incursions of arctic air at some time in spring. This is not evidence ef a climatic trend nor is it a good guide as to what type of summer is to fellow.

It is equally clear that traditional crops are woll designed to ride out most of the extremes the British climate can throw at it. Bnt when we choose to push eur luck with crops near their climatic limit or when we have tho misfortune to be hit by a killing frost, spring may prove a write-off.

THE recent unseasonable frost in the South of England caused less damage te fruit and vegetables than its severity might suggest, according to the National Farmers' Union. Coming after a winter so mild that producers were embarrased by an abundance of vegetables and consequent low prices, what damage the frost did served only to slow down the arrival of cauliflowers on the market and trim some of the surplus. The NFU described it as no more than a hiccup. The surpluses of tho past winter, which were a treat fer consumers, resulted from the mild weathor and over-planting.

PRICE CHANGES

In tonnes—unless stated otherwise	Apr. 12 1983	+ or —	Month ago
Metals			
Aluminium	£880	.....	£810/815
Free Mkt.	$1545/1575	.....	$1525/555
Copper			
Cash h grade	£1082.5	+0	£1084
3 mths	£1112.75	+8.5	£1098.75
Cash Cathode	£1062.5	+6.5	£1048.75
3 months	£1090.25	+0.75	£1077
Gold troy oz	$432.25	+2.25	$432.5
Lead Cash	£296.e	+1	£297.5
3 months	£307.70	+0.875	£309.25
Nickel	£4833	.....	£4611
Free mkt.	220/260c	.....	225/255c
Palladium	$106.50	.....	$101.00
Platinum	£273.00	+1.50	£274.55
Quicksilver†	$515/535	.....	$510/540
Silver troy oz	740.10p	+11.10	748.30p
5 mths	707.30p	+11.06	761.90p
Tin cash	£9154	—136.5	£9012.5
3 months	£9130.5	—140	£9030.0
Tungsten	$81.18	.....	$77.e7
Wolfam 22.04 lb	$90.92	.....	$86.88
Zinc Cash	£446.5	+3.5	£454.5
3 mths	£461.25	+3.5	£470.25
Producers	$750	.....	$750

	Apr. 12 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$590y	+2.5	$465
Groundnut	‡	.....	‡
Linseed Crude	‡	.....	‡
Palm Malayan	$417.5z	—2.5	$375
Seeds			
Copra Philip	$385y	+e	$320
Soyabean (U.S.)	$259	—2	$241.5
Grains			
Barley Fut. Sep	£111.50	+0.30	£120.90
Maize	£148.00	+1	£148.50
Wheat Fut. Jul	£136.1e	+e.65	£134.60
No2 Hard Wint	‡	.....	‡
Other commodities			
Cocoa ship't*	£1294	—8	£1362.5
Fut. July	£1206.0	—9	£1510.5
Coffee Ft. July	£1653	+4	£1748
Cotton A. Index	80.15c	—0.15	77.95c
Gas Oil May	$252.5	+3.75	$233.5
Rubber (kilo)	75p	+1.5	75p
Sugar (Raw)	£109w	+1	£110
Wooltp's 64s	400p kilo	.....	405p kilo

‡ Unquoted. z May. x June. y May-June. v April-June. w April-May. † Per 76-lb flask. * Ghana cocoa. c Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-28.90	—0.05
Iranian Light	26.50-07.95	+0.07
Arabian Heavy	26.15-26.40	—0.15
North Sea (Forties)	29.35-29.55	—
North Sea (Brent)	29.50	—
African Bonny Li'ht	29.75-29.85	—0.02

PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	302-312	+4.5
Gas oil	259-260	+5.3
Heavy fuel oil	164-167	+1.5

GAS OIL FUTURES

The market opened steadier in line with the New York close and traded higher through the morning. Prices dropped off to reflect weakness in physicals, rallying again in the near months in good volume on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	250.50	+1.50	251.75-50.00
May	258.50	+5.75	253.00-48.50
June	248.75	+5.75	250.50-47.50
July	248.00	+9.50	250.00-47.50
Aug	250.75	+0.25	252.00-49.50
Sept	250.00	+e.50	253.50-51.00
Oct	253.75	+2.50	254.25-51.75
Nov	255.00	+5.00	254.50-52.25
Dec	254.50	+1.88	254.50

Turnover: 3,922 (2,789) lots of 100 tonnes.

GOLD MARKETS

Gold rose $2¼ to $431¾-432¾ in very quiet London bullion trading. It opened at $432½-433½, and closed at the lowest level of the day, after touching a peak of $433¾-434¾. The metal was fixed at $433.25 in the morning and $432.75 in the afternoon.

In Paris the 12 kilo gold bar was fixed at FFr 101,700 per kilo ($435.52 per ounce) in the afternoon, compared with FFr 101,000 ($432.55) in the morning, and FFr 100,150 ($429.23) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,800 per kilo ($434.00 per ounce), against DM 33,375 ($429.00), and closed at $432¼-433¼, compared with $426¼-427¼.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $433.25 per ounce, against $427.25 previously.

In Zurich gold finished at $432-435, compared with $426-429.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	431.80-32.7	+2.250	430.00-32.5
May	434.00-35.0	+2.000	—
June	437.40-37.8	+2.250	439.40-37.3
July	440.50-41.7	+2.550	—
August	444.00-44.7	+2.350	446.40-45.5
Sept	447.80-47.5	+1.400	—
Oct	450.00-52.0	+2.000	—

Turnover: 729 (889) lots of 100 troy ounces.

	April 12		April 11	
Gold Bullion (fine ounce)				
Close	$431¾-432¾	(£281-281½)	$430½-430½	(£281¼-282)
Opening	$432½-433½	(£281½-282¼)	$425½-425½	(£280¼-281)
Morning fixing	$433.25	(£282.616)	$427.75	(£281.045)
Afternoon fixing	$432.75	(£281.977)	$406.75	(£280.204)

Gold Coins Apr. 12					
Krugrnd	$444½-445½	(£288¾-289)	King Sov	$105-106	(£68¼-69)
½ Krg	$236¼-237¼	(£153¼-154)	Victoria Sov	$105-106	(£68¼-69)
¼ Krg	$120¾-121¾	(£78¼-79¼)	French 20s	$91½-92¾	(£59½-60¼)
1/10 Krug	$49¼-50¼	(£32-32¾)	50 pesos Mex	$534-538	(£346¾-347¾)
Mapleleaf	$443-444	(£287¾-288¼)	100 Cor. Aust	$418-422	(£271½-270¾)
New Sov	$101¾-102¾	(£66-66¼)	$20 Eagles	$560-580	(£363¼-376¾)
½ New Sov	$60-60¾	(£39-39½)			

EUROPEAN MARKETS

ROTTERDAM, April 12.

Wheat—(U.S. $ per tonne): U.S. No. Two Red Winter April 160, May 160, June 159, July 157, Aug 159. U.S. No Three Amber Durum April/May 191, May 190, June 189, July 189, Aug 189. U.S. No. Two Northern Spring 14 per cent April 167, May 165.50, June 163.50, July 162.50, Aug 161. Canadian Western Red Spring April/May 202.

Maize—(U.S. $ per tonne): U.S. No. Three Yellow, April 147, May 145.50, June 146.50, July/Sept 145, Oct/Dec 137.50, Jan/March 144 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports, April 253, May 254, June 257, July 259.50, Aug 262, Sept 266, Oct 267.25, Nov 267.25, Dec 270.50, Jan 274.75, Feb 278.75, March 282 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent unloading 223, afloat 221.50-222-222.50, April 220-220.50/221 traded; unloading 224, afloat 223.50, April 221, May 220, May/Sept 225, Oct 234, Nov/March 244 sellers. Pellets Brazil, afloat 228 to 234 (depending on position). April 226, May 225, June 228, May/Sept 229 sellers.

PARIS, April 12.

Cocoa—(FFr per 100 kg)—May 1308/1309, July 1326.50 bid, Sept 1400/1409, Dec 1410/1420, March 1430/1450, May 1445/1455, July 1465/1475.

Sugar—(FFr per tonne): May 1580/1590, July 1665/1685, Aug 1687/1690, Oct 1730/1737, Nov 1735/45, Dec 1800/1809, March 1920/1930, May 1985/1995.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL MARKETS on the London Metal Exchange were dominated by the hectic activity in Tin: forward standard material dropped sharply to £8,850 on the morning kerb reflecting heavy speculative and stop-loss selling in the absence of any significant support from the buffer stock manager. In the afternoon the price continued to move erratically and moved in a £120 range prior to late support which prompted a close of £9,110. Copper, initially touched £1,122 on speculative buying but retreated to £1,105 in the face of the rise in sterling and a poor showing on Comex.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	1086-.5	+18.5	1082-3	+8
3 months	1115-.0	+16	1112.5-3	+8.5
Settlem't	1086.5	+16.5	—	.....
Cathodes				
Cash	1067-8	+17.2	1062-3	+6.5
3 months	1094-5	+15	1090-.e	+6.75
Settlem't	1068	+17.5	—	.....
U.S. Prod.	—	—	*79-83	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1086, three months £1110, 11, 10.50, 11, 11.50, 12.50, 13, 13.50, 14, 14.50, 15.00. Cathodes: Cash £1068, 67, three months £1093.50. Kerb: Higher Grade: Three months £1115.50, 16, 167, 18, 19, 20. Afternoon: Higher Grade: Cash £1083, three months £1021, 21.5, 21, 22, 21.5, 21, 21.5, 14, 14.5, 16, 14.5, 14, 13, 12.5, 13. Cathodes: Cash £1063, three months £1091. Korb: Higher Grade: Three months £1110, 09, 08.50, 08, 07, 08.50, 07, 06, 07, 08, 08, 08.50, 07, 6, 06.50, 05. Turnover: 35,460 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9090-110	—187	9152-6	—158
3 months	9080-100	—180	9130-1	—140
Settlem't	911e	—180	—	.....
Standard				
Cash	9090-11e	—187	9152-6	—138
3 months	9080-100	—180	9130-1	—140
Settlem't	911e	—180	—	.....
Straits E.	$31.51	+0.26	—	.....
New York				

Tin—Morning: Standard: Cash £9175, 70, 60, 20, three months £9270, 60, 50, 60, 40, 30, 9150, 40, 60, 20, 10, 92, 91.20, 00, 55, 60, 70, 50, 40, 20, 10, 91 90.90. Kerb: Standard: Three months £9110, 90.80, 50, 30, 89, 88.50, 89, 25, 90, 90.50, 75, 91, 10, 91. Afternoon: Standard: Three months £9150, 60, 50, 40, 30, 91, 90.80, 91, 10, 20, 50, 40, 30, 25, 20, 91, 90.90, 70, 50, 60, 70, 90, 91, 20, 25, 30. Kerb: Standard: Three months £9140, 20, 10, 90.80, 70, 60, 50, 30, 60, 90, 91, 90.95, 91, 90.98, 91, 90.95, 91, 91.10. Turnover: 6,035 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	299-.5	+5	296-7	+1
3 months	309.5-10	+3.87	307.5-8	+.875
Settlem't	299.5	+5	—	.....
U.S. Spot	—	.....	—	.....

Lead—Morning: Cash £299, three months £306, 10, 09.50. Kerb: Three months £310, 11. Afternoon: Three months £311, 12, 1e, 00.50, 08, 08.50, 08, 07.50, 07. Kerb: Three months £307, 07.50, 08. Turnover: 6,035 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	449-.5	+8	446-7	+3.5
3 months	463.5-4	+8.25	461-.5	+3.5
Settlem't	449.5	+8	—	.....
Prim w'ts	—	.....	*40-.75	.....

Zinc—Morning: Cash £449, three months £460, 60.50, 61, 62, 62, 64, 63.50, 64. Kerb: Three months £463.50, 64, 65. Afternoon: Three months £463, 63.50, 60.50, 60, 60.50, 61, 61.50. Kerb: Three months £459, 60, 59.50, 59, 59.50, 58, 59, 58.50, 59, 60. Turnover: 7,925 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	899.5-1.5	+2.5	897.5-8.5	-2
3 months	916-.5	+2.5	914.5-5	-2

Aluminium—Morning: Three months £917, 18, 19, 18.50, 19, 19.50, 18, 19. Afternoon: Three months £920, 19, 18.50, 19, 17, 16.50, 16, 15.50, 15, 14.50, 15. Kerb: Three months £915, 14, 13.50, 14, 14.50, 15. Turnover: 13,550 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	5175-85	—59	5165-75	—45
3 months	327e-80	—50	3050-55	—44

Nickel—Morning: Cash £3175, three months £3290, 85, 88, 85, 86, 85, 80, 75. Kerb: Three months £3285. Afternoon: Three months £3280, 85, 70, 65, 60. Kerb: Three months £3235, 40, 50. Turnover: 2,304 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

LME—Turnover: 174 (105) lots of 10,000 ozs. Morning: Three months 760.00, 60.5, 61.0, 60.5. Kerb: three months 761.0. Afternoon: three months 760.0, 60.5. Kerb: three months 755.e.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	740.15p	+11.1	739p	+1
3 months	757.90p	+11.0	757p	+1.5
6 months	774.60p	+11.2	—	.....
12 months	81e.70p	+11.1	—	.....

Silver was fixed 11.1p an ounce higher for spot delivery in the London bullion market yesterday at 740.15p. U.S. cent equivalents of the fixing levels were: spot $11.35, up 23.9c; three-month $11.593, up 24.0c; six-month $11.853, up 24.0c; and 12-month $12.400, up 24.2c. The metal opened at 741-743p ($11.38-$11.42) and closed at 739-741p ($11.36-$11.40).

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.5 per cent, $ per tonne, in warehouse 1,960/2,050.

BISMUTH: European free market, min 99.99 per cent, $ per lb, tonne lots in warehouse 1.53/1.65.

CADMIUM: European free market, min 99.95 per cent, $ per lb, in warehouse, ingots 0.88/0.95, sticks 0.93/1.00.

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse 6.30/0.45.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse 310/325.

MOLYBDENUM: European free market, canned molbdic oxide, $ per lb Mo, in warehouse 3.90/4.16.

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse 3.70/4.20.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO_3, cif 88/91.

VANADIUM: European free market, min 98 per cent V_2O_5, other sources, $ per lb, V_2O_5, cif 2.20/2.40.

Producer list price for selected metals as recorded in Metal Bulletin.

ALUMINIUM: World: virgin ingots Alcan, min 99.5 per cent, $ per tonne, cif Hong Kong and Rotterdam, 1,750.

BISMUTH: UK: MCP-Peko, 99.99 per cent, $ per lb tonne lots, ex-warehouse 2.90.

COBALT: World, Zaire: Sozacom, $ per lb 12.50.

NICKEL: World, Inco, melting grade, $ per lb, cif Far East and America, delivered rest of world 3.20.

URANIUM: Nuexco exchange value, $ per lb U_3O_8 21.75.

VANADIUM: Highveld fused min 98 per cent V_2O_5, $ per lb V_2O_5, cif 2.40.

ZINC: GOB producer basis, $ per tonne 750.

COCOA

Following an unchanged opening futures rallied briefly before renewed selling during late trade eroded the gains, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1188-89	—8.e	1205-188
July	1208-07	—0.0	1225-05
Sept	1200-51	—0.0	1239-20
Dec	1242-44	—11.5	1260-45
March	1265-64	—11.5	1280-64
May	1275-79	—15.0	1294-79
July	1206-30	—15.0	—

Sales: 3,088 (5,662) lots of 10 tonnes.

ICCO—Daily price for April 12: 80.33 (80.24). Indicator prices for April 13: 80.92 (81.49).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 412 tonnes. Extensive operations were mentioned, with a persistent demand for many American type varieties. Specialist qualities grown in the Middle East, notably Israeli styles, were in sustained request, as were Central and West African supplies.

COFFEE

Strength in nearby May was the only feature in an otherwise quiet session, reports Drexel Burnham Lambert. Late dealer and commission house buying added to the strength.

COFFEE	Yest'day's Close	+ or —	Business Done
May	1827-28	+20.0	1830-05
July	1652-54	+4.0	1655-39
Sept	1612-13	—	1616-03
Nov	1574-76	+1.5	1580-69
January	1544-45	—	1545-40
March	1515-1e	—1.5	1518-12
May	1485-95	—1.5	1485

Sales: 7,566 (1,360) lots of 5 tonnes.

ICO Indicator prices for April 11 (U.S. cents per pound): Comp. daily 1979 122.12 (121.44); 15-day average 123.09 (123.20).

GRAINS

Mnth.	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'd'ys close	+ or —
May	136.50	+e.20	123.00	+0.40
July	108.15	+e.05	—	—
Sep	117.90	+e.15	111.30	+0.30
Nov	120.40	+0.10	114.55	+e.20
Jan	123.5e	+0.15	117.76	+e.20
May	126.65	+0.15	120.70	+0.2g

Business done—Wheat: May 136.70-6.35, July 138.40-8.10, Sept 118.00-7.90, Nov 120.40 only, Jan untraded, March 120.60-6.55. Sales: 218 lots of 100 tonnes. Barley: May 123.00-2.70 Sept 111.55-1.35, Nov untraded, Jan 117.79 only, March 120-70-20.65. Sales: 58 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent, May 134.50, June 133.25 July 133 transhipment East Coast sellers. English feed fob, May 140, Sept 122 East Coast sellers. Maize: French, April 148 transhipment East Coast seller. Barley: English feed fob, April 128, May 128, Aug 111.50, Sept 113.75, Oct/Dec 115.50 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 120.50, S. West 128.20, W. Mids 125.80, N. West 123.70. The UK monetary coefficient for the week beginning Monday April 10 (based on HGCA calculations using 5 days exchange rates) is expected to change to 0.980.

POTATOES

Further falls in April and May, with heavy selling of May on the opening, met strong support. Further selling of May moved prices below the £56.90 support level, but it closed above the day's low. April traded to £1.40 down, before attracting short-covering, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	50.30	50.90	50.50-49.50
May	55.70	07.00	58.50-55.50
Nov	e7.90	e7.60	68.50-68.00
Feb	75.70	75.1e	75.70-75.50
April	85.50	85.50	85.50

Turnover: 575 (784) lots of 40 tonnes.

RUBBER

The physical market opened easier, attracted some support at the lower levels and closed quietly steady. Lewis and Peat reported a May fob price for No. 1 RSS in Kuala Lumpur of 260.5 (262.5) cents a kg and SMR 20 235.5 (237.5).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
May	764-700	745-760	—
June	760-790	751-760	—
Jly-Sept	766-768	758-760	768-707
Oct-Dec	780-781	778-770	783-770
Jan-Mch	797-799	790-792	800-797
Apl-Jne	816-818	810-811	805
Jly-Sept	838-840	833-850	843-830
Oct-Dec	856-862	847-857	862
Jan-Mch	877-882	870-876	883-882

Sales: 231 (397) lots of 15 tonnes; nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 76.00p (74.50p); May 75.75p (same); June 76.50p (same).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 405, 412, nil; Aug 426, 427, 426-425; Oct 430, 432, 430; Dec 437, 439, 438-436; Jan 439, 441, 440-438; March 448, 449, 449-448; May 457, 460, 458-455; Aug 468, 470, 469-465; Oct 470, 480, nil. Sales: 45.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 567.0, 569.e, 569.0-568.0; July 589.0, 590.0, 590.0-589.5; Oct 579.0, 579.5, 579.2-579.0; Dec 588.e, 588.5, 588.5-588.0; March 608.0, 609.0, 610.0-609.0; May 618.0, 620.0, 618.5-618.0; July 630.0, 631.5, 631.0; Oct 620.0, 632.0, untraded. Sales: 81.

SOYABEAN MEAL

The market opened £1.50 down on stronger sterling, reports T. G. Roddick. Prices remained under pressure on commission house selling.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
April	148.80-55.0	—3.80	—
June	148.60-48.5	—3.25	151.50-49.10
August	149.60-49.8	—3.55	151.10-49.80
October	156.40-55.4	—3.05	160.50-55.40
Dec	162.10-62.4	—3.40	165.50-62.10
Feb	168.50-68.0	—3.85	—
April	167.00-68.0	—3.80	169.00

Sales: 95 (34) lots of 100 tonnes.

SOYABEAN OIL—The market opened $3.00 easier in dull conditions and remained under pressure. Close (U.S.$ per tonne): April 410.00, 436.00; June 428.00, 436.00; Aug 441.00, 446.00; Oct 451.00, 456.00; Dec 461.00, 475.00; Feb 472.00, 488.00; April 482.50, 500.00. Sales: 0 (10) lots of 25 tonnes.

INDICES

FINANCIAL TIMES

Apr. 11	Apr. 8	M'th ago	Y'er ago
270.66	273.53	262.92	—

(Base: July 1 1952=100)

REUTERS

Apr. 12	Apr. 11	M'th ago	Y'ar ago
1759.6	1757.2	1721.0	1606.8

(Base: September 18 1931=100)

MOODY'S

Apr. 12	Apr. 7	M'th ago	Y'ar ago
1042.8	1043.2	1033.3	992.3

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 8	Apr. 7	Month ago	Year ago
Spot	1	150.05	136.29	128.58
Fut'rs	138.01	144.85	140.82	131.06

(Base: December 01 1974=100)

SUGAR

LONDON DAILY SUGAR—Raw sugar £108 (£108) a tonne cif April-May shipment. White sugar £142 (same).

The market improved over the day as some commission house buying found sellers withdrawing scale-up, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	121.85-21.45	119.85-19.90	121.50-19.25
Aug	130.10-30.15	128.50-28.60	130.50-28.80
Oct	137.25-37.30	135.75-35.90	137.85-35.25
Dec	142.50-42.85	141.50-41.75	145.00-42.00
March	150.75-51.25	149.75-50.00	151.75-50.75
May	155.00-55.50	153.50-54.25	155.25-54.75

Sales: 2,001 (2,793) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £214.50 (213.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 11: Daily prices 5.46 (5.49); 15-day average 0.42 (6.40).

HIDES

HIDES—Birmingham. Second clears. Ox: 31-35.5 kg, 77.4p a kg (75.5p); 26-30.5 kg, 80.0p a kg (78.4p); 22-25.5 kg, 93.0p a kg (90.5p). Light cows: 25.5 kg, 93.1p a kg (90.2p).

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 76.3 to 81.9; English hindquarters 97.0 to 100.1, forequarters 52.0 to 58.0. Veal: Dutch hinds and ends 128.0 to 132.0. Lamb: English small (new season) 114.5 to 110.5, medium (new season) 110.0 to 114.5, heavy (new season) 104.5 to 109.0; Imported: New Zealand PL (new season) 62.3 to 63.0, PX 49.0 to 49.8. Sheep: English 80.0 to 100.0; Scotch 80.e to 100.0. Pork: English, under 100lb 36.0 to 50.0, 100-120lb 42.0 to 48.0, 120-160lb 35.0 to 45.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.21p per kg lw (—0.45). GB—Sheep 209.28p per kg est dcw (—4.23). GB—Pigs 84.69p per kg lw (—2.31).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.00-£5.00, codlings £3.50-£4.50; large haddock £4.00-£4.60, medium £4.00-£4.40, small £2.00-£3.00; medium plaice £4.00, best small £4.00-£4.80; skinned dogfish (large) £2.80; lemon sole (small) £3.50-£7.00; rockfish £1.90-£3.00; reds £1.30-£1.80; saithe £1.40-£2.30.

COVENT GARDEN—Prices for the bulk of produce in sterling per package except where otherwise stated. Imported produce: Ortaniques—Jamaican: large boxes 5.00. Kara—Spania: 5.40-6.00. Tangors—Jaffa: 6.50-7.00. Oranges—Spania: Navels 5.00-6.00; Jaffa: Shamouti 40 5.50, 50 5.80, 60 6.35, 75 6.55, 88 6.65, 109 6.40, 123 6.40, 144 5.25, 168 5.00; Moroccan: Valencia Lates 5.60-6.00; Cypriot: Valencia Lates 5.00-5.00. Lemons—Cypriot: 5-kg 2.60-3.60; Spania: tray 5-kg 25/50 1.40-1.80; Jaffa: carton 3.20-5.00. Grapefruit—Cypriot 23/56 2.80-4.00, Ouby 32/48 5.00-5.80; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 56 4.75, 64 4.60, 75 4.50, 88 4.35; U.S.: Ruby 0.50-9.00 according to size.

English Produce: Apples—per pound, Bramley 0.08-0.17, Cox's 0.12-0.32, Spartan 0.08-0.16, Crispin 0.06-0.12, Laxton 0.08-0.16. Pears—per pound, Conference 0.14-0.28. Potatoes—per bag 2.20-3.00. Mushrooms—per pound, open 0.60-0.70, closed 0.60-0.80.

AMERICAN MARKETS

NEW YORK, April 11

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal services will resume on April 25.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1650	1656	1630	1633
July	1694	1704	1676	1683
Sept	1727	1736	1706	1715
Dec	1765	1771	1750	1757
March	1795	1800	1800	1787
May	1817	—	—	1809
July	1843	—	—	1835

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	121.36	122.00	121.30	121.66
July	121.17	121.82	121.1e	121.32
Sept	120.58	121.20	120.51	120.63
Dec	119.60	119.95	119.60	119.58
March	117.35	117.65	117.45	117.63
May	114.43	114.75	114.75	114.45
July	111.88	—	—	111.75
Sept	11e.25	—	—	11e.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
April	79.35	75.05	75.05	73.60
May	75.00	75.60	74.90	74.30
June	76.55	75.50	75.50	75.05
July	77.30	77.40	75.40	75.80
Sept	78.75	78.60	77.60	77.30
Dec	80.50	80.40	75.65	79.1e
Jan	81.05	—	—	79.79
March	82.15	82.00	81.55	80.85
May	83.25	82.80	82.90	81.95
July	84.30	—	—	83.00

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	71.40	72.40	71.05	72.90
July	71.74	72.60	71.65	72.31
Oct	72.05	72.65	71.85	72.11
Dec	71.98	72.60	71.60	72.02
March	73.30	73.79	73.20	73.20
May	73.80	—	—	73.60
July	74.79	—	—	74.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	431.0	432.e	427.e	421.7
May	433.3	431.5	431.5	423.8
June	436.8	437.3	432.3	427.9
August	443.4	444.e	439.0	433.3
Oct	450.2	449.5	446.5	440.5
Dec	457.3	458.0	453.5	447.7
Feb	464.0	464.e	462.5	454.8
April	472.0	472.0	468.8	462.2
June	479.5	478.5	478.e	469.0
August	487.1	—	—	477.1
Oct	494.9	—	—	484.8
Dec	503.1	503.0	503.e	493.1
Feb	511.5	—	—	501.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	79.60	79.85	78.75	79.24
June	75.89	79.15	78.10	78.73
July	78.69	78.90	77.60	78.55
August	79.10	78.15	78.25	78.84
Sept	79.90	79.00	79.00	78.30
Oct	81.00	81.90	79.60	80.17
Nov	81.50	81.90	80.30	80.90
Dec	82.26	82.30	81.05	81.79
Jan	82.50	82.50	82.50	81.90

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	114.25	114.30	113.75	114.00
July	112.85	114.00	112.75	112.80
Sept	111.75	112.00	111.60	111.50
Nov	107.75	107.60	107.50	107.90
Jan	103.65	103.75	103.50	103.75
March	103.70	103.75	103.75	103.00
May	103.80			103.85
July	103.90	103.95	103.95	103.90
Sept	103.90	—	—	103.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	417.8	410.0	404.0	396.0
July	424.0	424.0	410.0	404.0
Oct	430.5	430.0	417.0	416.5
Jan	439.0	439.0	426.0	415.0
April	447.5	447.0	435.1	427.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	1130.8	1132.e	1124.e	1098.5
May	1136.e	1138.0	1120.0	1104.e
June	1145.3	1145.0	1136.0	1113.2
July	1154.8	1158.0	1138.0	1122.3
Sept	1173.4	1174.0	1159.0	1140.8
Dec	1201.4	1205.0	1183.0	1168.8
Jan	1216.8	—	—	1178.e
March	1229.9	1231.e	1224.e	1197.0
May	1249.4	1260.0	1250.0	1210.2
July	1268.0	1270.0	1270.e	1235.4

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	7.12	7.12	7.01	7.06
July	7.50	7.51	7.39	7.45
Sept	7.83	7.85	7.74	7.78
Oct	8.09	8.10	8.00	8.02
March	8.00	9.02	8.93	8.95
May	9.31	8.32	9.23	9.25
July	8.52	9.60	8.50	8.43
Sept	9.81	9.90	9.80	—

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	73.67	73.82	73.17	73.37
June	70.45	70.65	70.12	79.27
August	66.90	67.00	66.60	66.80
Oct	62.82	62.97	62.47	62.77
Dec	62.85	62.95	62.50	62.95
Feb	62.35	62.60	62.35	62.55

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	49.52	50.12	49.45	49.70
June	52.85	53.55	52.77	53.42
July	53.15	53.40	52.95	53.42
August	50.32	50.90	50.25	50.82
Oct	46.47	46.77	46.40	46.79
Dec	46.65	47.20	46.65	47.05
Feb	47.80	48.35	47.80	48.15
April	46.75	46.75	46.75	46.55
June	47.90	47.80	47.80	48.60

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	315.0	318.0	314.0	314.8
July	320.4	323.5	318.4	320.5
Sept	311.4	318.2	311.2	313.4
Dec	304.4	310.e	304.2	307.8
March	312.4	317.6	312.2	215.0
May	315.8	324.4	318.8	322.e
July	323.5	329.4	323.8	327.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	73.70	74.37	73.37	74.07
July	72.37	78.90	72.02	72.92
August	69.12	69.82	68.95	69.65
Feb	64.30	64.65	63.90	64.90
March	64.08	64.15	63.50	64.50
May	65.30	65.30	64.50	65.72
July	64.85	65.50	64.60	65.25
August	62.05	62.60	61.79	62.35

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	642.5	300.0	624.4	648.2
July	659.4	673.0	659.0	665.4
August	665.0	678.0	665.0	671.8
Sept	672.4	685.0	672.4	678.2
Nov	685.2	696.4	685.e	690.0
Jan	698.0	708.4	698.0	702.0
March	711.e	721.e	711.e	715.0
May	722.e	732.0	722.0	726.0
July	732.e	740.4	732.e	736.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	190.2	192.5	190.0	190.5
July	194.5	197.8	194.5	195.0
August	196.5	200.e	196.7	197.2
Sept	190.4	201.0	196.0	199.8
Oct	201.1	204.1	201.1	201.7
Dec	208.3	209.5	206.e	208.0
Jan	208.e	211.e	208.e	208.3
March	213.e	214.e	210.e	213.7
May	215.5	—	—	217.5
July	218.0	—	—	220.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	18.07	19.50	15.06	19.26
July	18.49	15.51	19.48	19.99
August	19.68	20.08	18.65	19.88
Sept	19.85	20.27	19.85	20.07
Oct	20.05	20.45	20.05	20.20
Dec	20.41	20.83	20.40	20.58
Jan	20.61	20.85	20.60	20.80
March	20.95	21.1e	20.95	21.00

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	353.0	366.2	353.2	363.5
July	366.0	378.0	365.0	374.8
Sept	376.4	387.2	376.0	384.4
Dec	391.2	401.e	391.e	398.2
March	402.4	411.4	402.4	409.0
May	407.0	407.e	407.e	414.4

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99 13/16	98 13/16	Treasury 9¼pc '83	99⅞	...	9.26	9.67
102 11/16	100 11/16	Exch. 13½pc '83	101¾	–¼	13.27	10.39
99 1/2	98 1/2	Exch. 10pc 1983	99⅞	...	10.01	10.12
97¾	96¼	Funding 5½pc '82-84‡‡	97	...	5.67	9.64
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	+ or –	Int.	Red.
99	94¼	Aust. 6pc 1981-83	99	...	6.20	11.26
78½	74¼	N.Z. 7¼pc 1988-92	76¼	...	9.76	11.92
91¼	87¾	Do. 7½pc '83-86	91¾	+¼	0.44	11.79
163	160	S. Rhod. 2½pc Non-Ass.	160	...	—	
80	74	Do. 3½pc 80-85 Assd.	77	...	4.55	15.00
54	44	Do. 4½pc 87-92 Assd.	47	...	7.54	15.90
390	321	Zimbabwe Ann (£100pa)	321xd	...	—	20.43

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or –	Int.	Red.
77½	72½	Agric. Mt. 5pc '59-89	76½	...	6.66	10.55
34¾	31¼	Met. Wtr. 3pc 'B'	33½	...	9.05	11.74

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
240	190	ANZ SA1	215	+5	Q20c	5.1	7.4	4.3
295	273	Alexanders D. £1	285	+2	20.0	—	10.0	—
£93	£66	Algemene Fl.100	£93	+5½	vQ26%	♦	6.9	♦
118	98	Allied Irish	118	...	Q15.3%	4.0	8.8	3.6
110	77	Ansbacher (H.) 5p	90	+2	3.5	—	5.6	—
290	255	Bk. Ireland £1	285	...	Q29.4%	—	9.4	—
3½	2	Bank Leumi	2	...	—	—	—	—
165	130	Bk. Leumi (UK)£1	165	...	10.15	—	8.8	—

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Further demand for sterling

Sterling continued to improve yesterday, finishing the day on a strong note despite renewed demand for the dollar. The latter reacted to a late upturn in Euro-dollar rates although comments by Federal Reserve chairman Paul Volcker suggested that U.S. interest rates were too high to sustain an economic recovery.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade weighted index 82.0 against 82.0 at noon and 82.1 at the opening and compared with 81.6 on Monday and 93.0 six months ago. Sterling has shown signs of recovery following the acceptance of price proposals by BNOC's major customers.

Sterling opened at $1.5315 against the dollar and touched $1.5340 in the first half of the day. Late demand for the dollar pushed it firmer against most currencies apart from sterling which kept pace with the dollar's firmer trend to touch a high of $1.5425. It closed at $1.5410-$1.5420, a rise of 1.45c. Against the D-mark it rose to DM 3.7375 from DM 3.6975 and SwFr 3.1475 from SwFr 3.1250. It was also higher against the yen at Y366½ from Y363.25 and FFr 11.1950 from FFr 11.0750.

DOLLAR — Trade weighted index (Bank of England) 122.1 against 122.7 six months ago. The dollar has been firm during a period of uncertainty about oil prices and the recent upheavals in the EMS. U.S. interest rates have not fallen as once expected, although better money supply figures have once again renewed hopes of a further decline.

The dollar closed at DM 2.4235 against the D-mark up from DM 2.4195 and FFr 7.2640 from FFr 7.2550. It was weaker against the Swiss franc as the latter improved on firmer domestic interest rates. The dollar slipped to SwFr 2.04 from SwFr 2.0450 and was also lower against the yen at Y237.65, compared with Y237.70.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade-weighted index 130.7 against 126.8 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives the D-mark room for appreciation as it is currently placed close to the bottom of the system.

The D-mark was little changed against its EMS partners at the Frankfurt fixing, but lost ground to the dollar, sterling, the Swiss franc and Japanese yen. The dollar rose to DM 2.4217 from DM 2.4203 without any intervention by the Bundesbank, in quiet, trendless trading. Sterling improved to DM 3.7130 from DM 3.6840, on better sentiment about oil prices, while the Swiss franc climbed to DM 1.1853 from DM 1.1810. The French franc and Danish krone were fixed unchanged at their upper intervention limits of DM 33.35 per 100 francs, and DM 28.165 per 100 krone respectively, after central bank support for the D-mark.

FRENCH FRANC — Trading range against the dollar in 1983 is 7.2975 to 6.6060. March average 7.0172. Trade-weighted index 70.9 against 73.3 six months ago. The French franc is now placed near the top of the EMS after the realignment, allowing the authorities to lower interest rates a little. Although unpopular domestically, the latest package of austerity measures will help reduce France's sizeable current account and budget deficits.

The dollar rose to FFr 7.2630 from FFr 7.2570 at the Paris fixing, sterling to FFr 11.1395 from FFr 11.0555, and the Swiss franc to FFr 3.5550 from FFr 3.5412. Within the EMS the D-mark was fixed unchanged at FFr 2.9986, slightly above its minimum permitted level of DM 2.9985, while the Dutch guilder fell to FFr 2.6620 from FFr 2.6630.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 12	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	44.8653	+1.12	+0.46	±1.5430
Danish Krone ...	[illegible]	[illegible]	−0.57	−1.23	±1.6419
German D-Mark	2.21515	2.25275	+1.70	+1.04	±1.0887
French Franc ...	6.79271	6.75538	−0.55	−1.21	±1.4018
Dutch Guilder ...	[illegible]	2.53769	+1.68	+1.02	±1.4941
Irish Punt	0.71705	0.713372	−0.51	−1.17	±1.6886
Italian Lira	1386.78	1342.33	−3.21	−3.21	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 12	£	$		£ Note Rates
Argentina Peso..	107,034-107,434	69,880-69,980	Austria..........	26.00-26.30
Australia Dollar..	1.7633-1.7673	1.1520-1.1525	Belgium..........	74.45-75.20
Brazil Cruzeiro...	650.01-654.01	423.98-426.10	Denmark..........	13.13-13.26
Finland Markka..	8.34-8.533	5.4180-5.4200	France..........	11.08-11.18
Greek Drachma..	129.817-130.037	82.66-84.80	Germany..........	3.69½-3.73½
Hong Kong Dollar	10.32-10.34	6.7320-6.7370	Italy..........	2185-2220
Iran Rial..........	129.33*	85.00*	Japan..........	363-368
Kuwait Dinar (KD)	0.4465-0.4475	0.29150-0.29170	Netherlands..........	4.15-4.20
Luxembourg Fr..	74.83-74.93	48.20-48.22	Norway..........	10.94-11.04
Malaysia Dollar..	3.5876-3.5474	2.3013-2.3043	Portugal..........	145-155
New Zealand Dlr.	2.3370-2.3453	1.5195-1.5220	Spain..........	198-216¼
Saudi Arab. Riyal	5.2875-5.2936	3.4313-3.4330	Sweden..........	11.42-11.52
Singapore Dollar	3.2150-3.2350	2.0985-2.1016	Switzerland..........	3.10½-3.13½
Sth. African Rand	1.6865-1.6880	1.0940-1.0950	United States..........	1.52¼-1.54¼
U.A.E. Dirham....	5.6233-5.6383	3.6710-3.6760	Yugoslavia..........	120-133

*Selling rates.

CURRENCY MOVEMENTS

Apr. 12	Bank of England Index	Morgan Guaranty Change %
Sterling..........	82.0	−38.1
U.S. dollar..........	122.1	+11.8
Canadian dollar..........	90.6	−17.4
Austrian schilling..........	122.1	+81.0
Belgian franc..........	94.8	−1.2
Danish kroner..........	84.9	−9.4
Deutsche mark..........	150.7	+58.0
Swiss franc..........	151.9	+106.9
Guilder..........	118.9	+26.2
French franc..........	70.9	−22.8
Lira..........	52.3	−59.1
Yen..........	146.5	+69.2

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 12	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.706967	0.606808
U.S. $	8½	1.08371	0.950237
Canadian $..........	9.54	*	1.14518
Austria Sch	5¾	18.4567	15.8873
Belgian F	11	52.2565	44.8653
Danish Kr	8½	N/A	7.99864
D mark	4	2.62442	2.25273
Guilder	3½	2.95690	2.53769
French F..........	9½	7.87099	6.75538
Lira	17	N/A	1342.33
Yen	5½	257.489	221.094
Norwgn Kr..........	8	7.75828	6.65445
Spanish Pta	—	146.601	125.647
Swedish Kr	8½	8.10182	6.95306
Swiss Fr	4	2.21489	1.90047
Greek Dr'ch	20½	N/A	77.9818

*C$/SDR rate for April 11: 1.33492.

THE POUND SPOT AND FORWARD

April 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5315-1.5425	1.5410-1.5420	0.17-0.12c pm	1.13	0.32-0.27 pm	0.76
Canada	1.8860-1.9010	1.8880-1.8890	0.20-0.10c pm	0.94	0.35-0.25 pm	0.63
Nethlnd.	4.17-4.22	4.20½-4.21½	2-1½c pm	4.99	5¼-4¼ pm	4.75
Belgium	73.80-74.40	74.25-74.35	5-15c dis	−1.62	25-35 dis	−1.62
Denmark	13.18-13.26	13.24½-13.25½	3¼-4⅞ore dis	−3.73	11-12¼ dis	−3.50
Ireland	1.1740-1.1830	1.1805-1.1815	0.56-0.70p dis	−6.40	1.45-1.65dis	−0.25
W. Ger.	3.70½-3.74½	3.73½-3.74½	2-1½pf pm	3.61	4⅞-4⅜ pm	4.94
Portugal	148.75-150.90	149.25-150.25	290-1375c dis	−66.71	620-2165ds	−37.18
Spain	206.75-208.50	208.20-208.40	145-265c dis	−11.80	470-600dis	−10.27
Italy	2,210-2,225	2,222½-2,224½	9½-13½lire dis	−6.20	33-38 dis	−6.38
Norway	10.94-11.02	11.00½-11.01½	2⅞-3⅞ore dis	−2.31	8⅞-9⅞ dis	−3.31
France	11.12-11.20	11.19-11.20	1½-2½c dis	−1.07	9-11	−3.57
Sweden	11.43-11.53	11.51½-11.52½	¼-⅞ore dis	−0.59	2-2⅛ dis	−0.82
Japan	363-368	366-367	1.40-1.20y pm	4.25	3.55-3.35 pm	3.76
Austria	26.05-26.30	26.22-26.27	12-10½gro pm	3.06	32-27½ pm	4.52
Switz.	3.11½-3.15½	3.14¼-3.15¼	1½-1¼c pm	5.71	4½-4⅜ pm	5.71

Belgian rate is for convertible francs. Financial franc 75.30-75.40. Six-month forward dollar 0.37-0.32c pm, 12-month 0.45-0.35c pm.

THE DOLLAR SPOT AND FORWARD

April 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5315-1.5425	1.5410-1.5420	0.17-0.12c pm	1.13	0.32-0.27 pm	0.76
Ireland†	1.3020-1.3080	1.3020-1.3035	0.75-0.65c pm	6.71	1.88-1.73 pm	5.53
Canada	1.2300-1.2325	1.2318-1.2325	par-0.03c dis	−0.16	0.03-0.06dis	−0.15
Nethlnd.	2.7260-2.7315	2.7295-2.7315	1.08-0.93c pm	4.31	2.90-2.80 pm	4.18
Belgium	48.18-48.25	48.20-48.22	9-11c dis	−2.50	27-30 dis	−2.38
Denmark	8.5940-8.6025	8.5940-8.5980	2.70-3.40ore dis	−4.26	7.20-7.80dis	−3.49
W. Ger.	2.4175-2.4240	2.4230-2.4240	0.97-0.92pf pm	4.68	2.56-2.51 pm	4.18
Portugal	96.50-97.98	96.90-97.70	200-900c dis	−68.18	425-1425ds	−38.22
Spain	134.90-136.15	135.00-135.10	100-160c dis	−11.54	325-425dis	−11.10
Italy	1,442-1,443½	1,442-1,443	9-10lire dis	−7.9	27-28½ dis	−7.69
Norway	7.1400-7.1840	7.1500-7.1550	2.30-2.80ore dis	−4.12	6.70-7.20dis	−3.89
France	7.2550-7.2675	7.2615-7.2665	1.80-2.10c dis	−3.22	7.40-8.00dis	−4.24
Sweden	7.4720-7.4790	7.4720-7.4770	0.80-1.20ore dis	−1.60	2.70-3.20dis	−1.58
Japan	237.00-238.00	237.60-237.70	0.64-0.50y pm	3.10	1.84-1.76 pm	3.03
Austria	17.00½-17.03¼	17.00½-17.01½	6.25-5.50gro pm	4.67	17.50-16.00pm	3.82
Switz.	2.0330-2.0500	2.0395-2.0405	0.85-0.80c pm	4.85	2.58-2.53 pm	3.01

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.85-48.95

EXCHANGE CROSS RATES

Apr. 12	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.542	3.736	366.5	11.195	3.148	4.210	2224.	1.899	75.30
U.S. Dollar	0.649	1.	2.425	237.8	7.262	2.042	2.731	1443.	1.232	48.30
Deutschemark	0.268	0.412	1.	98.06	8.995	0.842	1.126	594.8	0.506	19.88
Japanese Yen 1,000	2.729	4.206	10.20	1000.	30.55	8.588	11.49	6067.	5.180	202.7
French Franc 10	0.893	1.377	3.338	327.4	10.	2.812	3.761	1986.	1.696	66.37
Swiss Franc	0.318	0.490	1.187	116.4	3.557	1.	1.338	706.4	0.603	23.61
Dutch Guilder	0.238	0.366	0.888	87.06	2.658	0.748	1.	528.1	0.451	17.66
Italian Lira 1,000	0.450	0.693	1.681	164.8	5.035	1.416	1.893	1000.	0.854	33.48
Canadian Dollar	0.527	0.812	1.969	193.0	5.897	1.658	2.218	1171.	1.	39.14
Belgian Franc 100	1.346	2.075	5.030	493.3	15.07	4.236	5.666	2993.	2.555	100.

MONEY MARKETS

Renewed hopes of base rate cut

UK clearing bank base lending rate 10½ per cent (since March 15 and 16)

Expectations of an imminent cut in clearing bank base rates gathered pace in the London money market yesterday. The Bank of England's assistance in meeting yesterday's shortage of funds was seen as a mild encouragement and was certainly more bullish than Monday's operations. Discount houses' obvious reluctance to part with high yielding paper was accommodated to a greater extent by the Bank of England as a majority of the help comprised short dated repurchase agreements.

The Bank gave an early forecast of a £700m shortage although this was later revised to £650m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills —£160m and the unwinding of previous sale and repurchase agreements —£217m. Exchequer transactions drained a further £230m while on the other side notes in circulation fell by £90m. Assistance in the morning comprised purchases of £25m of eligible bank bills in band 1 (up to 14 days) at 10⅞ per cent and sale and repurchase agreements on £75m of bills at 10½ per cent, unwinding on May 3. Further help in the afternoon came to £547m, making a grand total of £647m. The afternoon help comprised purchases of £9m of local authority bills and £69m of eligible bank bills in band 1 at 10⅞ per cent and sale and repurchase agreements on £469m of bills at 10⅝-10⅞ per cent, unwinding in equal amounts on April 19 and 20.

Overnight interbank money opened at 11-11½ per cent and rose to a high of 11½ per cent before easing to 9-10 per cent on the Bank's second help. Rates fell away at the close to 5 per cent.

In Brussels the Belgian National Bank reduced the rates on short term Treasury bills by 0.25 per cent to 11.25 per cent. The new rate applies to one, two and three-month Treasury bills and is the third reduction in eight days. This has given rise to speculation the authorities may cut the discount rate at tomorrow's meeting of the central bank.

LONDON MONEY RATES

Apr. 12 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight..........	—	5-11½	—	—	—	10-11¼	9-11	—	—	—
2 days notice ..	—	—	10⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11¼	—	—	—	—
7 days notice ..	—	10¾-11	10⅝	—	—	10¾	10⅛-10¾	—	—	—
One month..........	10⅛-10⅛	10⅞-10⅞	10½	11-10⅝	10½	10⅝	10⅛-10¼	10¼	10¼	10⅞
Two months	10⅛-10⅞	10¼-10⅛	10¼	10⅞-10⅞	10¼	10½	10	9⅞-10	9⅞	10⅞
Three months..........	10¼-10⅞	10⅛-10¼	10⅛	10⅝-10¼	10¼	—	9⅞-10	9¾-9⅞	9⅞-9⅞	10⅞
Six months..........	10⅛-10	10-10⅛	10⅛	10¼-9⅞	10⅛	—	—	—	9⅝	10¼
Nine months..........	10⅛-9⅞	10-10⅛	10⅛	10⅝-10⅛	10⅛	—	—	—	—	—
One year..........	10⅛-9⅞	10⅛-10⅛	10⅛	10⅝-10	10⅛	—	—	—	—	—
Two years..........	—	—	10½	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average. Rate for interest period March 2 to April 5 1983 (inclusive) 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11⅛ per cent; five years 11⅛ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9²⁹⁄₃₂-9¹⁵⁄₁₆ per cent; four months trade bills 10¹¹⁄₃₂ per cent.

Approximate selling rate for one month Treasury bills 10⅛ per cent; two months 9¹⁵⁄₁₆-9⅞ per cent; and three months 9¾-9¹¹⁄₁₆ per cent. Approximate selling rate for one month bank bills 10³⁄₁₆ per cent; two months 9⅞ per cent and three months 9¾ per cent; trade bills 10⅝ per cent; two months 10⁵⁄₁₆ per cent and three months 10³⁄₃₂ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7½ per cent.

Treasury Bills: Average tender rates of discount 9.8194 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10½ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 5 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Apr. 12	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling..........	11-11¼	10⅝-10⅞	10⅞-10⅞	10⅛-10⅞	10-10⅛	10-10⅛
U.S. Dollar..........	8¾-9	8⅞-9⅛	8⅞-9⅛	9⅛-9⅜	9¼-9½	9⅞-9⅞
Can. Dollar..........	8-8	8½-9½	9-9¼	8¼-8½	9⅜-9⅝	8¾-10
D. Guilder..........	9¼-9½	9-9⅛	6-5⅛	0.5⅛	5⅞-9⅞	3⅝-8¾
S. Franc..........	6¾-6¼	5-5¼	4⅞-4⅞	4⅞-4⅞	4⅛-4¼	4⅞-4⅞
Deutschm'rk	4⅝-4⅞	4⅞-4⅞	4⅞-4⅞	4⅞-5	5⅛-5¼	5⅞-5⅞
Fr'nch Franc	12-18⅝	12-12⅝	12-12⅝	16⅝-13⅝	14⅜-14⅝	19⅞-16
Italian Lira..........	16-18	13¾-10¾	16½-16⅞	18¼-17¼	17-18	17½-18⅝
Belg. Franc..........						
Conv..........	11½-12½	11⅛-12½	11-11¾	11-11¾	11-11¾	11¼-12
Fin..........	12-18⅛	11½-12	11¼-11½	11⅛-11⅝	11-11¼	11-11¼
Yen..........	6-6⅛	6⅛-6¼	6⅛-6¼	6⅞-6⅞	6¼-6⅜	6⅜-6⅛
D. Krone..........	16⅞-14⅝	13⅝-14⅛	16⅝-16⅞	16⅝-15⅞	16½-14	13¾-14⅛
Asia $ (Sing.)	8⅞-9⅞	9⅛-9¼	9⅛-9¼	9¼-9⅝	9⅜-9½	9⅞-9⅞

FT LONDON INTERBANK FIXING
11.00 a.m. APRIL 12)

3 month U.S. dollars		6 months U.S. dollars	
bid 8 5/16	offer 8 5/16	bid 8 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)...	8⅝-8⅞
Treasury bills (13-week)	8.15
Treasury bills (26-week)	8.24

GERMANY

Lombard	6.0
Overnight rate	4.85
One month	0.05
Three months	9.20
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate	12.25
One month	12.1875
Three months	11.9375
Six months	11.9375

JAPAN

Discount rate	0.5
Call (unconditional)	0.40625
Bill discount (3-month)	6.78125

SWITZERLAND

Discount rate	4
Overnight rate	3¾-4⅛
One month	4½-4⅛
Three months	4⁷⁄₁₆-4¹⁵⁄₁₆

NETHERLANDS

Discount rate	3½
Overnight rate	5-5⅛
One month	5-5⅞
Three months	5-5⅞
Six months	5⅛-5⅞

$ CERTIFICATES OF DEPOSIT

One month	8.80-8.90
Three months	8.90-9.00
Six months	9.00-9.10
One year	9.25-9.45

LONG TERM EURO $

Two years	10½-10⅞
Three years	10⅞-11⅛
Four years	11⅛-11⅜
Five years	11⅛-11⅞

SDR LINKED DEPOSITS

One month	8⅞-9⅛
Three months	8⅞-8⅞
Six months	8⁷⁄₁₆-8¹⁵⁄₁₆
One year	8⅞-9⅞

ECU LINKED DEPOSITS

One month	9⅝-9¹⁵⁄₁₆
Three months	9⅝-9⅞
Six months	9¼-9⅞
One year	9⁷⁄₁₆-9¹⁵⁄₁₆

FINANCIAL FUTURES

Gilts active

Trading in gilts was quite active on the London International Financial Futures Exchange yesterday. June traded over 2,000 lots, but finished near the lowest level of the day at 106-14, compared with 106-30 on Monday. The June contract opened at 107-15, encouraged by very bullish sentiment in the money market and the previous day's sharp rise in cash prices. It advanced to a peak of 107-18, but then declined when the Bank of England again failed to cut its money market intervention rates. Although the authorities accommodated the discount houses with a fairly attractive bill repurchase agreement in the afternoon, fears grew on Liffe that the hoped-for cut in clearing bank base rates may be delayed beyond the end of this week, and this pushed the price for June delivery down to a low of 106-13.

Activity in the three-month sterling contract was encouraging, with the June price also finishing below the opening level, but around the middle of the day's range, and firmer than Monday's finish. July opened at 90.48, and touched a high point of 90.49, before closing at 90.45, compared with 90.40 on Monday. Trading lacked direction as interest rates held steady on the London money market.

The June Eurodollar contract closed 5 basis points firmer at 90.56, but at its lowest level of the day, after opening at 90.93, and touching a best level of 90.94. Chicago's overnight close gave the contract an early boost, although trading was subdued ahead of the testimony by Mr Paul Volcker, chairman of the Federal Reserve Board, to the U.S. Senate Banking Committee.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.86	90.94	90.86	90.81
Sept	90.62	90.69	90.62	90.75
Dec	90.40	90.45	90.37	90.29
March	90.27	90.30	90.27	90.15
June	—	—	—	—

Volume 1,643 (1,686)
Previous day's open int 4,009 (3,907)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.45	90.49	90.41	90.40
Sept	90.42	90.47	90.40	90.40
Dec	90.41	90.44	90.33	90.35
March	90.35	90.35	90.26	90.25
June	90.22	—	—	90.21

Volume 910 (788)
Previous day's open int 3,747 (3,582)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	106-14	107-18	106-13	106-30
Sept	106-00	106-30	106-00	106-13
Dec	106-00	106-12	106-00	106-13
March	107-29	—	—	106-12
June	—	—	—	106-06

Volume 2,034 (1,639)
Previous day's open int 2,513 (2,347)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) 10 to 18 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5336	1.5340	1.5300	1.5235
Sept	1.5326	—	—	1.5225
Dec	—	—	—	—

Volume 403 (478)
Previous day's open int 1,022 (1,010)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4156	0.4162	0.4154	0.4164
Sept	0.4200	—	—	0.4214
Dec	—	—	—	—

Volume 58 (67)
Previous day's open int 349 (346)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4944	0.4950	0.4928	0.4936
Sept	0.5019	—	—	0.5010
Dec	—	—	—	—

Volume 77 (83)
Previous day's open int 323 (310)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4227	0.4233	0.4223	0.4224
Sept	0.4268	—	—	0.4260
Dec	—	—	—	—

Volume 99 (44)
Previous day's open int 430 (430)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-21	78-04	77-19	77-28
Sept	77-02	77-10	77-00	77-08
Dec	76-19	76-30	76-18	76-22
March	76-04	76-16	76-04	76-08
June	75-25	76-00	75-23	75-28
Sept	75-14	75-21	75-14	75-17
Dec	75-05	75-15	75-05	75-08
March	74-29	75-03	74-29	75-00
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.84	91.99	91.79	91.93
Sept	91.53	91.67	91.48	91.63
Dec	91.27	91.43	91.27	91.38
March	91.08	91.18	91.07	91.16
June	90.86	90.94	90.86	90.93
Sept	90.73	90.73	90.66	90.72
Dec	90.57	90.57	90.47	90.52
March	—	90.33	90.31	90.33

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.11	91.28	91.07	91.19
Sept	90.79	90.96	90.76	90.89
Dec	90.59	90.67	90.48	90.60

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.54	90.69	90.52	90.62
Sept	90.27	90.44	90.26	90.37
Dec	90.01	90.17	90.01	90.10
March	—	89.96	89.88	89.92

STERLING (IMM) $e per £

	Latest	High	Low	Prev
June	1.5410	1.5425	1.5310	1.5280
Sept	1.5375	1.5425	1.5305	1.5270
Dec	1.5350	1.5410	1.5275	1.5260
March	—	1.5418	1.5400	1.5256
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	70-25	71-03	70-23	70-26
Sept	69-31	70-08	69-28	69-31
Dec	69-09	69-16	69-08	69-08
March	68-23	68-23	68-23	68-19
June	68-06	68-06	68-06	68-02
Sept	67-23	67-28	67-23	67-19
Dec	67-12	67-14	67-11	67-06
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

Authorised Units—continued

Equity & Law Un Tst Mngrs (a) (b) (c)
Amersham Rd, High Wycombe. 0494 33377

Euro Tst Ac	55.6	59.7	....	1.17

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 6AN. 01-283 2400

AmExFd*	$247.88	253.42	....	1.87
JpExFd*	$129.76	133.99	....	1.08

Next Subscription Day April 18 1983.
*Fleming American Property Unit Trust. Last issue price (15/12) US$10.176. Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust. Last issue price (25.3) £2.087. Units are issued on March 25, June 24 Sept 25 & Dec 25.
*Unauthorised.

Hexagon Services Ltd
[illegible] Helens, London EC4P 3EP. 0708 45322

AustFrsGw	103.8	109.4	+1.0	2.52
Brewin Cap	71.1	74.9	....	1.35
Brewin GrInc	67.7	71.3	....	3.76
CanGwthFd	91.0	97.9	....	1.12

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq, Edinbgh 2. 031-225 6001

Aust & Pac*	—	—	—	—
High Yield†	20.4	21.4	−0.2	10.40
Do Accum‡	20.7	21.7	−0.2	10.40

*Dealing Thurs. ‡Dealing Fri.

MGM Unit Managers Ltd
MGM House, Heene Road, Worthing 01-623 8211

High Inc	118.9	126.5	+1.5	6.50
(Accum Uts)	118.5	127.4	+1.5	6.50
UK Growth	113.0	121.5xd	+1.4	3.07
Accum Uts	113.3	121.8	+1.4	3.07

MLA Unit Trust Mngmnt Ltd
Old Queen Street, SW1A 9JG. 01-222 8576

MLA Units	167.2	175.5xd	+2.9	2.85
MLA Intl	—	25.0	....	1.00

The Money Market Trust
63 Qn Victoria St, EC4N 4ST. 01-236 0952

Call Fund	—	—	....	11.28
7-Day Fund	—	—	....	10.86

†Unauthorised—Sterling Deposit Fund.

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 42311
Pension Funds

EqPenFdAc	569.6	599.0	+0.1	—
Fix I Pen Ac	402.8	423.7	−0.5	—
GtMnPenAc	235.9	249.1	+0.1	—
IntMnPcAc	227.4	239.3	+5.5	—
NAmPFdAc	117.4	123.5	+1.2	—
Prop Pen Ac	212.4	223.6	+0.1	—
MplInvPnAc	478.7	503.9	+2.1	—

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VarblAcApr 9	—	133.44	....	—
An Uts Apr 18	—	30.92	....	—
Prime Series				
Managed	104.1	109.6	+0.1	—
UK Equity	106.6	112.3	+0.3	—
Intl Equity	101.7	107.1	....	—
Property	96.8	102.0	....	—
Fixed Int	103.0	108.5	....	—
Indx Lnkd Gt	95.5	100.6	+0.3	—
Cash	96.1	101.2	....	—
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Cash	117.6	123.8	....	—
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Nat Res'ces	117.5	123.7	+1.1	—
Spec Sits Fd	177.3	186.7	+0.3	—
N Amer Fd	205.5	216.4	−0.1	—
Far East Fd	158.6	162.6	−0.4	—
Prop Fd	113.6	118.6	+0.1	—
Managed Fd	173.0	182.2	+0.3	—
Deposit Fd	114.4	120.5	+0.1	—
Prime Rs Rs	110.2	116.1	....	—
UK Sep Ac	100.7	106.1	+1.2	—
FxdIntPsAc	105.4	111.0	−0.1	—
N Am Ps Ac	102.3	107.7	−8.1	—
Far E Ps Ac	102.9	108.4	−0.2	—
SpSitPenAc	104.3	109.6	+0.3	—
MonPensAc	101.8	107.2	+0.1	—
ComPoPenAc	96.5	101.6	....	—
PmRsPpPsAc	96.4	101.5	....	—
Dep Pen Ac	96.5	101.6	....	—

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FINANCIAL TIMES SURVEY

Business and the Community

The social conscience of business, big and small, has been stirred to help communities battered by unemployment. This survey looks at the range of new ventures, and the organisations set up to co-ordinate their activities

Trevor Humphries

Brixton: scene of an Anglo-American venture

CONTENTS

New wave of helpers

BY IAN HARGREAVES

MILTON FRIEDMAN once wrote that "there is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits."

It takes some explaining why it should be that during the life of a government committed largely to Professor Friedman's view of things, we should have experienced such a stirring of business's social conscience — a stirring which has been reflected in the creation of a bewildering array of organisations dedicated to drawing business into different forms of community action.

Within the space of three years, over 100 local enterprise agencies (sometimes called enterprise trusts) have sprung into existence, involving about 1,000 companies. Their aim is to foster local economic regeneration, mainly, though not wholly, by helping to stimulate small business.

In April 1981, a national organisation, Business in the Community, was formed to give a lead in this work.

In the same period, the Confederation of British Industry has formed its free-standing Special Programmes Unit, the main role of which is to get big companies more involved in the Government's youth training and job-creating measures.

Meanwhile, the Action Resource Centre (ARC), founded in 1973 but increasingly vigorous in recent years, has developed a sophisticated brokerage service to supply management secondees from business to voluntary or semi-voluntary organisations.

Project Fullemploy, a City of London organisation which trains disadvantaged, mainly black young people, in office skills, has expanded to accommodate 1,000 trainees a year. There are many other projects, like Fullemploy, operating in specific localities.

Other bodies, like the Centre for Employment Initiatives, have concentrated upon promoting community business ventures (normally non-profit distributing enterprises) and the Financial Institutions Group (FIG) recently completed a one-year project on inner city renewal in conjunction with the Department of the Environment. The concept of mixed public-private sector funding for inner city programmes is at the heart of the Government's urban policy.

The idea of socially-active businessmen is not, of course, anything new in Britain. The social welfare traditions of the Rowntrees and the Cadburys ore well known and indeed it was normal for the companies which created Britain's industrial revolution to indulge in programmes of patronage, culture and welfare, whose stamp is indelible in many urban landscapes. This patronage was extended initially to employees, but also to the wider community.

Local roots

In the 1960s, however, the process of merger, centralisation and internationalisation took many companies' headquarters and focus away from their original, local roots, at the same time as rising wealth and expectations fuelled a more critical public response to business on issues like pollution, building standards and corporate power.

In the U.S. similar pressures formed earlier and the spark of urban, racial violence forced American businessmen, also the inheritors of a long philanthropic tradition, to make a more systematic response.

In many ways, British businessmen who take an interest in the field of social responsibility still feel themselves to be chasing in the footsteps of Americans. It is hard to get through a conversation on the subject in Britain, without hearing of the wonders of Columbus, Indiana, where Cummins Engine has been an important social benefactor, or Pittsburgh, which a partnership of businessmen and local politicians has helped turn from a dirty, industrial town with little future to a pleasing headquarters city.

"Partnership" and "self-help" have become vogue words. Indeed, American companies in Britain, notably IBM, but also companies like Levi Strauss and Johnson Wax, have made an important contribution to forming the British debate. IBM was a founder member, along with BP, ICI, Finance for Industry and UK Provident, of ARC in 1973, and its UK subsidiary's corporate responsibility strategy is among the most sophisticated in Britain.

It was in the prosperous early 1970s that a small core of British companies started to think about the subject in detail. In 1974, for example, National Westminster Bank created a board level social policy committee under the chairmanship of Mr Robin Leigh-Pemberton, now Governor of the Bank of England.

By the less prosperous mid-1970s, however, a Labour Government was in power and the corporate social responsibility movement was going nowhere in particular. Mr Peter Shore, then Environment Secretary, now Shadow Chancellor, however, had also taken an interest in American community development and at the same time Mr Harold Lever, another member of the Cabinet, had, armed with the Bolton report, become an evangelist for small business.

In 1978, Mr Shore's conversations with businessmen led to the formation of the London Enterprise Agency, under the leadership initially of Shell UK. At the same time—participants disagree about exactly who came first—a number of other towns took up the idea of local enterprise agencies. Among them was the Community of St Helens Trust, perhaps the most influential pioneer of them all.

Enterprise agencies aim to provide, in the words of Mr Bill Humphrey, who recently retired as leader of the St Helens Trust, "an interpretative role between the small business and industry and local and central government."

Mrs Thatcher's election victory, however, meant that Mr Tom King was in the chair when, in April 1980, an Anglo-American conference on community involvement took place at Sunningdale. IBM-UK, GEC, Prudential, BOC, Pilkington, Shell, Marks & Spencer and Finance for Industry were among those represented at the meeting.

Activism

The Americans' theme, summarised by Mr James Langton of the Bank of America, was: "Failure to adapt to societal change may prove as lethal as failure to adapt to market change."

From that point on, the preferred rationale for business's community activism became not philanthropy, but the self-interest of creating prosperous, peaceful, creative communities in which to do business.

As it happened, the day before the Sunningdale conference began, rioting broke out in Bristol St. Paul's—an early tremor of what was to come in several cities a year later. "There's no doubt that swung a lot of people into feeling that something had to be done," says Sir Alastair Pilkington, who was at the conference.

Sir Alastair agreed to chair a working party on community involvement, a steering group which by April 1981, had become Business in the Community, dedicated to spreading the news of the good work being done in St Helen's and elsewhere to the rest of the country.

By now, mass unemployment was also causing acute concern and at the Environment Department, Mr Michael Heseltine was trying to devise more effective ways of getting money to the inner cities, especially to Merseyside which was declared Mr Heseltine's own special territory.

The formation of Fig in September 1981 was part of the same momentum, while over at the Manpower Services Commission, an attempt was being made to understand the implications of a youth unemployment problem which was very nearly out of band. That in turn led Mr James Prior, then the Employment Secretary, to ask the confederation of British Industry to set up its special programmes unit to help.

Today, the CBI unit has 27 secondees and is in the middle of a programme of 100 conferences to recruit employer support for the MSC's new youth training scheme. Business in the Community has just appointed a full-time chief executive, Mr Stephen O'Brien, who, when chairman of Charles Fulton, the money brokers, had set up Project Fullemploy. BIC now has 25 corporate members, but will be using its first national conference in London today to attempt to spread its net much wider. Its other immediate aim is to increase the number of enterprise agencies from 100 to 200 and to get the agencies to take a much longer range view of their role.

Questions

"I want it to be the organisation that puts across to the corporate sector, both private and public, that it is in their interest to do something about the quality of life in the communities in which they operate. Business in the Community should be a kind of crusade for corporate social responsibility," says Mr O'Brien.

The rather haphazard and rapid way in which organisations like BIC have developed, however, raises numerous questions about what, in practice, the future is likely to involve.

There is, for a start, the question of overlapping objectives, with many businessmen complaining that there are now so many social canvassers on the road, that they are becoming a pest. One option under debate is to create a "single front door," possibly with BIC's name on the door, but others feel that in reducing the diversity of

CONTINUED ON NEXT PAGE

Profile: Christopher Norman-Butler

Zeal of sceptic who became converted

Christopher Norman-Butler: from Barclays Pall Mall district to BIC secondment

"WHEN I arrived at BIC last year I was far from convinced that what they were trying to achieve was worthwhile. Since then, I suppose, I have seen the light like Saul on the road to Damascus."

Christopher Norman-Butler, a 49-year-old local director of Barclays Bank's Pall Mall district currently on secondment to Business in the Community, certainly talks these days with the zeal of the converted. For over the last few months he has helped set up a string of new enterprise agencies in Wales and the West Midlands and, as he puts it, "seen the tremendous amount of good they are doing in encouraging new businesses."

At the same time, however, he freely admits that some agencies are far from perfect and that much still needs to be done to realise their full potential.

Enterprise agencies have mushroomed spectacularly in the UK over the last couple of years — mainly as a result of the growing political interest in small companies and the widespread belief that more of these businesses will survive if given the right encouragement and support. Largely through experienced staff seconded from large organisations — notably bank managers — enterprise agencies offer a number of services, including advice on starting up, marketing, premises, employee legislation and how to raise finance.

They seldom provide risk capital or loans themselves but ideally through their local contacts guide "clients" to someone who does.

Business in the Community, among its other "social responsibility" activities, has now helped set up 102 enterprise agencies and according to Mr Norman-Butler a further 39 are likely to be launched within the next three months. Among those on his "patch" Cardiff/Newport, which has been promised £150,000 per annum over two years by an impressive list of sponsors, is likely to be opened in June and Pembrokeshire—a more modest undertaking with a £38,000 annual kitty—is due to throw open its doors in the middle of May.

In common with colleagues at BIC Mr Norman-Butler's role combines reacting to locally inspired projects and directly promoting the enterprise agency message in areas which have not yet heard the gospel.

"We like to think of ourselves as midwives but I'm not sure that we don't sometimes begot the children as well and act as a bit of a nanny afterwards," he says. He stresses, though, that agencies are normally set up as independent companies, have a life of their own, and thus only look to BIC for advice and encouragement.

Danger

Looking ahead, Mr Norman-Butler says BIC "is trying to encourage agencies to play a bigger role in the Youth Training Scheme." What they are doing through training and workshops is fine but I think they could well act as managing agents for this scheme. In Portsmouth, for example, this is already happening."

There is, he concedes, a danger of running before they can walk. "I think agencies should have been going for a year or so before they branch out in this way. But they would be a very useful liaison between small employers and the Manpower Services Commission."

Another subject close to his heart is education. "It is vital for the future of the country that there is closer co-operation between industry and the schools. Enterprise agency boards usually have the best local people from the professions, the business community and tho local authority. They should therefore be sending in speakers and influencing the syllabus."

If some agencies are ready to spread their wings and embrace new activities, Mr Norman-Butler also believes some of the foundations will have to be relaid. "Obviously existing agencies are patchy, particularly in my view those run entirely by the local authority without sufficient input from the private sector.

"We think our model of a private sector chairman is the one that works. The efficiency of an agency depends not only on the personality and drive of the director (ie the chief executive) but also on the character of the chairman of the board.

"I think a few existing agencies will have to be reformed and perhaps as many as a third will need some sort of surgery. It is important not just to keep starting new agencies but to bring the present ones up to a good standard. There are a lot of 'Homo Guard' outfits sometimes run by Captain Mainwarings. We need them to be of the calibre of regular troops."

Asked what evidence there is that agencies are effective, Mr Norman Butler admits that the results are "difficult to assess."

"An average agency should have at least 100 queries a month, and many will be much higher. On the employment potential, the community of St Helen's Trust can show pretty convincingly that it has created 2,000 net new jobs while there is some impressive new evidence from Norwich that business failures have decreased as a result of the enterprise agency's involvement there.

"There is no reason why each enterprise agency should not be capable of creating 100 net new jobs a year through new and existing businesses."

Mr Norman-Butler also argues that a handful of enthusiastic companies can achieve much more under one umbrella than each one could individually. "Where there is a meeting minutes are taken and action should follow.

"There are also cases where agencies have persuaded local authorities to spend public money wisely — encouraging them for example to build smaller property units rather than adding to their vast untenanted stock of bigger ones."

Even if enterprise agencies are producing results, why should big companies bother to sponsor them? "Enlightened self interest" is Mr Norman-Butler's unhesitating reply."

Responsibilities

The success of any business ultimately depends on the prosperity of the community in which it operates. Companies also have responsibilities to their employees and to their employees' wives, husbands and families generally.

"I also think that if we want to retain a mixed economy it is essential that the private sector is seen to be doing something on its own during a recession, he says. "It would be disastrous" if the myth that business didn't care which grew up in the 1930s was allowed to be revived."

Other reasons, he says, for supporting agencies include value for money—"it's a cost effective way of spending local authority cash"—the effect on the company image, the good relationships inspired in the local comunity and the beneficial impact on management development.

Mr Norman-Butler's own circle of political and business contacts has certainly mushroomed in tho last few months and as someone whose background would give him his fair share of private sector prejudices he admits to "having raised my opinion tremendously of local authority officials.

"There are some council chief executives who I would put on any board in the City."

Tim Dickson

Profile: Sir Alastair Pilkington

An innovator with flair

Sir Alastair Pilkington: first chairman of BIC

FOR THE JOB of first chairman of Business in the Community, Sir Alastair Pilkington, the former chairman of Pilkington Brothers, the St Helens glassmaker, was the obvious choice.

St Helens was where one of the first two pioneering enterprise agencies got under way in Britain in 1979 in premises provided by Pilkington Brothers, and with considerable help from the company, which persuaded a cross-section of other organisations in the town to join it in trying to stimulate new business enterprise.

Sir Alastair himself is also something of an example to the aspiring entrepreneur, with one of the major industrial innovations in post-war Britain to this credit.

A distant relative of the founding fathers of the Pilkington business, he studied engineering at Cambridge, specialised within the company on the technical side, and conceived the idea for making flat glass by a much more efficient route—the float glass process. Subsequently licensed to glassmakers around the world, the process was the basis for the company's expansion in the 1960s and 1970s.

A tradition of maintaining strong links with the local community had always existed at Pilkington and Sir Alastair's own interest was further stimulated in the mid to late 1970s by visits to fellow glassmakers in Pittsburgh, home of a similar, but much more wide-ranging, American project.

"We have been forced as established companies into creating unemployment simply in order to survive," he points out. In Pilkington's case a labour force of 16,000 in St Helens has been virtually halved as a result of improvements in productivity which have made it possible to make much more glass with far fewer people.

Energetic

What Sir Alastair believes was achieved in St Helens—where under the energetic leadership of its first director and guiding light, Bill Humphrey, more than 100 new small businesses were helped into being in the first few years—was a reawakening of the spirit of self-help and community inter-dependence. Where previously town and local company relations had been based on the principle of non-interference there was now recognition that each needed the other.

In 1980, Sir Alastair was asked to chair a working group of senior business people set up following a meeting called by Mr Tom King, then Minister for Local Government. This was attended by top level managers in British and American businesses who had been involved in business in the community schemes.

The working group concluded that the handful of schemes then in operation could best be expanded and developed through tho creation of a small executive. The Business in the Community executive unit, staffed like many of the enterprise agencies themselves by secondees from industry, was set up as a result.

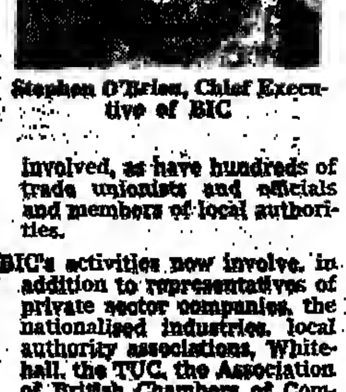
Some 30 major companies have been persuaded by Sir Alastair and his colleagues to back BIC, a figure he hopes can be pushed up to 500 before too long. The total of companies backing individual schemes is, however, much greater—probably in excess of 1,000.

Sir Alastair's hope is that BIC can educate companies generally—and in particular top management—that partnership with the community should be normal business practice, and that smallness of size should of itself be no bar to participation. BIC has recently appointed a new chief executive, Stephen O'Brien, one of whose tasks will be to encourage more small businesses to become involved.

The primary aim of the schemes now in operation will be job creation but there are other areas into which enterprise trusts and agencies could expand and already have done, such as youth training. With 200 enterprise trusts in operation in a few years' time—roughly double the present number—the country would be broadly covered, and one of BIC's roles then, Sir Alastair observes, would be to work with the weaker agencies, to bring up the quality of support they offer and to broaden the range of sponsors they can draw upon. With a large number of secondees now being drafted by companies to help enterprise agencies the need has already been felt to provide a training course for agency executives and this is being done by Durham Business School.

Rhys David

What's what in the national field



Stephen O'Brien, Chief Executive of BIC

BECAUSE they have developed so rapidly, the organisation involved in the new community activism among businesses have complex and overlapping roots both in terms of people and objectives.

The oldest national organisation is Action Resource Centre, which was created in 1973 by a group of companies interested in channelling business skills, mainly in the form of seconded managers, to community projects. Since 1976, Arc's main focus has been in the unemployment field. It is run by Cecilia Allen, who before going to Arc spent seven years in the marketing side of the wine trade and three years at Conservative Party Central Office.

Key role

Arc's chairman is Mr Stan Brooksbank, also chairman of UK Provident and its president is Lord Carr, chairman of Prudential Assurance. Lord Carr, a former Employment Secretary in the Heath Government, also played a key role in the formation of the CBI Special Programmes in 1981. He is also chairman of the unit's supervisory board.

The CBI unit was created primarily to help win bigger companies' support for the Manpower Services Commission's youth employment schemes, initially YOP (the Youth Opportunities Programme) and recently the more ambitious Youth Training Scheme.

It has also done some work in the community partnership field, creating a series of community action plans. Its chief executive is Mr James Cooke, who still retains links with his old company, PA Management Consultants. Norman Mills, the unit's general manager, is a secondee from BAT Industries.

Business in the Community began life in April 1981, after the Anglo-American conference on community action at Sunningdale, which had been chaired by Mr Tom King, who is now Environment Secretary.

BIC has become best known for its work in fostering local enterprise agencies and was until recently run entirely by a team of secondees from the private sector and Whitehall. That has now changed with the appointment of Mr Stephen O'Brion, formerly chairman of Charles Fulton, the money brokers, as full-time chief executive.

City help

Mr O'Brien also remains chairman of Project Fullemploy, which began in 1970, as a scheme to use private sector resources to train disadvantaged, mainly black young people in office skills. Project Fullemploy is one of the few business - community organisations to have effectively tapped the resources of the City of London, as opposed to industry and commerce. BIC's chairman is Sir Alastair Pilkington.

Several companies are involved in all these organisations, indicating that the base from which these various initiatives have come is fairly narrow. At the local level, however, many more companies have been actively involved, as have hundreds of trade unionists and officials and members of local authorities.

BIC's activities now involve, in addition to representatives of private sector companies, the nationalised industries, local authority associations, Whitehall, the TUC, the Association of British Chambers of Commerce, training boards and the National Council of Voluntary Organisations.

Ian Hargreaves

New wave of helpers

CONTINUED FROM PREVIOUS PAGE

what some have started to call "the movement," it would be weakened.

Politics is another issue, to which most of the business participants in this debate would prefer to turn a blind eye, an option not in practice available. How, for example, should the local enterprise agencies respond when a Labour-controlled authority, like the West Midlands County Council, or the Greater London Council sets up an enterprise board to channel investment, in part from local pension funds, to business.

Can businessmen fit in to a set up like tho one in Sheffield, where a vigorous but left-wing council has set up its own employment programme?

Mr Ian McCallum, chairman of the Association of District Councils, says enterprise agencies have been given almost everywhere a warm response and he sees local authorities and business acting in partnership with other agencies, such as voluntary organisations, to draw up "a corporate plan" for their areas, which might, for example, include assessment of such things as office space planning. A "partnership" group in Bristol has just launched an effort to copy the Allegheny Conference which was behind the transformation of Pittsburgh.

BIC itself has also made recent efforts to broaden its own political base by taking a TUC man on to its governing council and Mr Nicholas Hinton, director of the National Council of Voluntary Organisations (NCVO), argues that it has been transformed from "a cosy club for big business" to "the forum where the future of business involvement in the community can be worked out."

There is also some Whitehall politics at stake too, in the uneasy relationship between the Department of Industry, with its traditional role as guardian of industrial development, and Environment, whose urban aid budget is now almost as large as Industry's much reduced regional development budget.

Perhaps more important in Whitehall is the future of the Manpower Services Commission, a tripartite hybrid under the wing of a government which dislikes tripartism. Mrs Sara Morrison, a director of GEC, former chairman of NCVO and a participant in the Sunningdale Conference, argues that the managing agencies being created to run the youth training scheme are themselves a vehicle around which employers, unions and politicians should unite at the local level.

Overlap

She worries about the overlap between the new organisations and says a single body should be established to network ideas and good practice for employment generation and community involvement. "We have got to get a coherent pattern," she says. "Managers cannot respond if there is a muddle."

There is also a political angle in the frequently made comparisons with the U.S., where American executives have spent a lot of time in the last year debating whether or not President Reagan's deep cuts in social and training programmes has left them and the voluntary sector whether it be in training or in social welfare, a fear that a radical Conservative Government will follow the same path, rolling back the welfare state without making adequate alternative provision. "They can turn back the clock on this at the drop of a ministerial speech. It's that sensitive," says Mr Hinton.

There are many other reasons too for believing that the American modol is being oversold. Corporate taxation in the U.S. is much lighter and therefore encourages giving. Equally, many parts of the U.S. do not have anything which would be recognisablo in Britain as a welfare state.

It may be, also, that many peoplo are naively over-excited about tho potential of small business. "In places like the Rhondda Valley they need major investment. The idea of solving their problems with small business is a joke," says Mr James Cooke, chief executive of tho CBI Special Programmes Unit. Mr Cooke says ho detects "a deafening silence" from government in terms of overall industrial strategy.

Another idea which attracts some support is that of trying to push Britain more towards a French or German model, which would involve companies, even small ones, being obliged to take part in their local chambers of commerce, which as a result it is argued would become important, creative forces, rather than the tired and ineffective creatures most of them are now.

It may be a mistake, however, to press concerns like these too hard at this point in the movement's development. The important thing is that businessmen have started to emerge from their bunkers and are discovering that they are not automatically the object of suspicion in the wider community.

Rather they are seen, because of the employment crisis, as essential to the recovery, even if most of them know and will state publicly that they see little scope for creating new jobs within their own organisations.

Some, like Rank Xerox, have responded by sponsoring an ambitious programme of research, under the heading Work and Society.

It is essential to realise, says Mr Hamish Orr-Ewing, Rank Xerox's chairman, that the mass employment patterns of the last 100 years are gone for ever. "But there is no reason to regret this," he adds, but every reason for business to analyse alternative work patterns and to throw its weight behind programmes to help the more than 1m long-term unemployed caught in the cross-current of change. "The worry is this gap, the hiatus," he says.

Meanwhile, Sir Alastair Pilkington wonders aloud why it is that the most successful companies financially also tend to be those with the most advanced social attitudes. "Which comes first, which leads to the other?" ho asks.

Ring fence

The answer, perhaps, is that companies which truly develop the art of internal and external communication cannot fail to face the consequences of the social change and needs they see in and around their businesses.

What is on offer to businessmen, once they have stepped outside the corporate ring fence is, as was suggested in a recent report on community business published by the Calouste Gulbenkian Foundation, a chance to help break down further "the artificiality of trying to deal separately with people's economic and social welfare."

Out of the twin crises of unemployment and urban decay, new opportunities for re-shaping economic and social patterns are emerging and in almost every practical example, the most fruitful area for progress is found to be on a relatively small scale, with an emphasis upon broadly spread but local power.

Business is, in a sense, rediscovering localism. The base from which it is operating in these experiments is, certainly, too narrow and can be criticised as being unrepresentative.

Equally, the understanding of tho businessmen involved about where the new mood of social activism is leading is still far from being fully workod out. But at least business has declared itself willing to join in the action, rather than watching from tho sidelines and complaining about the rates.

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G.E.C. Measurements, Burslem:
Renovating derelict land.

Sherrings Building Co., Winchester:
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Mobil Oil, Southend:
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Otter Controls, Buxton:
Enlarging the exhibition centre on Roman remains, improving local beauty spots.

Vale Royal, Northwich:
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Edinburgh Zoo, Edinburgh:
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Please send me further information about sponsoring a Community Programme project.

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BUSINESS AND THE COMMUNITY IV

David Clutterbuck on the expanding role of enterprise agencies

A guiding hand for small and medium-sized companies

JUST OVER four years ago there was not an enterprise agency in sight in the UK. Now there are more than 100, with new organisations rapidly sprouting all over the country.

Business in the Community, a venture formed with government encouragement by a handful of large companies with long experience in community initiatives, to persuade, cajole or bludgeon other employers to follow their example, expects the count of enterprise agencies to reach 200 by mid-1984.

In Scotland, where a younger sister organisation has now been in operation about nine months, a dozen enterprise agencies are either active or being formed.

The growth of these agencies, whose primary purpose is to help create employment by encouraging new small business start-ups and by helping existing small businesses to expand, is a direct reflection of interest in using small and medium-sized companies to solve the unemployment problem.

Independent

Public organisations such as the Scottish Development Agency were designed to deal with large companies, not one-man businesses. Those government-run schemes that do look primarily to this market, such as the Department of Industry's expensively advertised small firms information service, have also had difficulty attracting would-be entrepreneurs. Donald Weeks of Aid to Bristol Enterprises says: "The majority of people who want to start up businesses want to keep as far away from the Government as possible. They would rather speak to someone independent. We get a lot of people who are in the black economy and want to go legitimate. They do not want to say that to a government agency."

The combination of private enterprise, with its closer understanding of commercial realities, and local government, often with some state funding, can be a powerful mix.

The services and standards of aid, however, offered to small businesses can vary greatly. Although some have a number of expert staff and sizable budgets, most enterprise agencies are make-shift affairs administered by a secondee from a large local employer and some secretarial assistance; but they can call upon a wide variety of resources in both the private and the public sector.

The difference in scale of financial resources available to different enterprise agencies is illustrated by comparing the local business directories produced by Rossendale Enterprise Trust (cost: £300, after agonising whether it could be afforded) and by an agency in one of the London boroughs (cost: £10,000, donated by an oil company).

The two first agencies, the London Enterprise Agency (Lenta) and the St Helens Trust, established the basic pattern of providing counselling, training and help in finding premises. At first, the entrepreneur had to make his own way to the agency's door.

Once there, he was able to discuss his business idea in confidence and receive relatively unbiased advice on its viability, any development or market research it needed, how to prepare a business plan, and how to obtain basic finance and premises.

Training in the elements of running a small business was an obvious next step, and most agencies now either offer their own courses or help local colleges set up courses instead.

Depending on their resources and local needs, the different agencies around the country have expanded into a variety of additional areas. The St Helens Trust quickly got into providing seedbed industrial estates for small industrial companies, and other enterprise agencies have been started around the existence of an old building suitable for turning into workshops.

Lenta now sees an important part of its role as being a broker between local authorities with convertible premises and private investors with capital.

Typical of the enterprise agency workshop projects is the abandoned 270,000 sq ft textile mill, which Rossendale Enterprise Trust converted into 80 small business premises a year ago. These have all been let, and work has started on two more mills. Based on the experience of British Steel's venture, Clyde Workshops, the building provides common services such as secretarial aid, book-keeping and on-site counselling.

While most enterprise agencies prefer to refer clients to existing sources of capital, St Helens, with the financial backing of Pilkingtons, set up Rainford Venture Capital with £2m as a separate but filial organisation to provide cash for ventures that needed substantial investment.

Earmarked

Some agencies have obtained loan capital from government bodies such as the Scottish Development Agency. ASSET, the Ardrossan, Saltcoats, Stevenson Enterprise Trust has £75,000 from the SDA and two local councils, available to clients as loans of up to £5,000. A fifth of this money has been earmarked especially for young entrepreneurs under 25, with another £15,000 thrown in by the Clydesdale Bank.

An important source of entrepreneurial cash in some of the most depressed areas, and soon to be available nationally is the Government's enterprise allowance scheme, which pays unemployed people who start their own business £40 a week, to ease the start-up process.

Other agencies have provided cash help through competitions, the largest of which is the Leicestershire Business Awards Scheme. In 1982, its first year, this scheme offered the six winners a package consisting of £29,000, low-rent premises, loans up to £50,000 guaranteed by Pedigree Petfoods, and the normal advice and consultancy available to any small firm from an enterprise agency.

The entrants had to have a business idea which would generate additional jobs in under two years, and had to agree to locate their business in Melton Mowbray. Of the 1,300 inquiries, 208 resulted in submissions of business plans.

The winners were equally divided between new start-ups and people who had started in business, but had no opportunity to grow. At least one of the existing businesses would have gone under without rapid help. Now Pedigree keeps a close eye on these ventures, through quarterly meetings where its own experts in personnel, marketing, accounting and other relevant disciplines examine the small businesses performance thoroughly and make suggestions for improvements.

Now in its second year, the competition offers premises anywhere in the county, and 10 prizes totalling £150,000. Part of its value is said to be the stimulus it gives to other people to launch into business. This value is partially offset by the lack of follow-up of people who are not likely to move to the county. There is no mechanism to pass these people on to enterprise agencies in their own area.

Several organisations have recently launched competition schemes for young entrepreneurs. Local councils and businesses in Tyne and Wear, for example, have clubbed together to offer £5,000 in prizes for business ideas from under-25s in a scheme run jointly by independent agency Project North-East and Tyne Tees Television.

The television company has used the scheme as the basis of a series of programmes called Commercial Break.

In addition to the relatively insignificant cash prizes, competition winners stood to obtain a free workshop and a free place on a full time "Start your own business" course at Newcastle Polytechnic. The success of the scheme, which brought 800 enquiries and 140 business plans (not far off the results of Leicestershire's national scheme), has encouraged other enterprise agencies, such as Portsmouth, to consider following suit.

Technical drawing class at the Scot-West training centre established with the help of ASSET. Right manufacture of flexible packaging at Moore and Buckle, a company started with aid from the Community of St Helen's Trust

The increasing concentration on the young entrepreneur, especially in the North, is reflected in Project North East's most recent venture, a Youth Enterprise Centre—a set of workshops with a central business advice unit devoted to young entrepreneurs who may not have had work experience, let alone experience of running a business.

Another area into which enterprise agencies are increasingly venturing is technical evaluation of product ideas. At first, this area was handled by asking for advice from within local firms, or from government agencies. But several agencies have now set up innovation centres, where people can bring their ideas for new products without fear that a big company will steal them.

Innovation

The Tyne and Wear Chamber of Commerce, together with the North Regional TUC and two local polytechnics has been running an innovation centre for two years now. It has investigated product ideas from culinary recipes to heavy engineering, and finds that about 10 per cent are both commercially and technically viable.

In some cases, such as a new design of axle for heavy vehicles, it will take ideas through to prototype, before passing the inventor and his idea on to normal sources of finance.

The innovation centres are, to some extent, in direct competition with commercial sources of product evaluation. At Cranfield, a scheme called Interwork offers the services of the considerable body of business and technological expertise of the business school to small companies and business start ups. However, few entrepreneurs can afford to pay for evaluations themselves. Some 80 per cent of custom comes from the major clearing banks, who refer potential borrowers there, at the banks' expense.

The traditional approach, tapping expertise within large companies still forms the backbone of technical advice however. Some agencies, such as Aid to Bristol Enterprises, have made this the focus of their activities. Each participating company has a link-man whom the agency contacts whenever a small local company approaches it with a problem.

If a large company has an expert in the area it can lend, it frees him for anything from one day to three weeks, to work with the small firm. The only cost to the small company is a £25 a day travel and subsistence allowance after the first two days.

The kind of problems dealt with in this way range from "What kind of computer should I buy?" through "How can I find a distributor for Christmas cards?" to highly technical studies into load-bearing capabilities of new components and even a new design of hovercraft.

Experience has shown that some of the other traditional approaches to helping the entrepreneur are inadequate, however.

One thing the small businessman usually can't afford is to spend a lot of time on courses. So some agencies have looked for other ways to educate them.

Rossendale has formed a club of more than 100 recently established small businesses, where people can meet socially and learn about business techniques.

Teach-ins

Bristol now runs lunchtime "teach-ins" where entrepreneurs listen to advice over lunch. Both agencies report that the entrepreneurs help each other in detailing their problems and how they solved them. Rossendale has also seen a strong growth in trade between the members of the club.

It has also become clear that the agencies need to be pro-active rather than reactive. Lenta, for example, recently started to go into the colleges of London University to show postgraduate students the opportunities available in starting their own business and to teach them the basics of doing so. ASSET in Scotland has started an innovation panel, consisting of five experts, who seek out licences for products which might be made in the region, and try to match likely contenders with local firms. Of 30 products identified in the few months since the panel started, six seem likely to reach local production.

In Portsmouth, a management consultancy is looking at industries which have died in the area, to determine whether any could be revived. The enterprise trust is already running courses for people who have money but no specific idea for a venture, and the results of the survey will be fed into this course.

More and more of the effort of the agencies is now going into keeping start ups going however.

Lenta has been drawn into a whole range of activities aimed at expanding existing businesses rather than starting new ones. It arranges meetings with the buyers from large companies, to explain how they purchase; it places unemployed executives in contact with small businesses that need full or part time professional management, and is now conducting a study into how small firms can pool their resources to market their goods more effectively.

It is also experimenting with a computer data base of small engineering firms, which large firms can tap for alternative suppliers.

Equally important, the agencies have learnt to discourage those people who are not cut out to be entrepreneurs. Estimates of the failure rate of new businesses in their first year range from 25 per cent to 70 per cent. Medway Enterprise gives them a questionnaire to assess their ability and willingness to take the necessary risks. "This will become more and more important in our work," says Brian Wright, director of Lenta. "There is too much of a romantic glow about being an entrepreneur at the moment."

Robin Reeves reports on schemes to create jobs in Wales

New methods put to the test

IT IS NO surprise that Wales should be the location of a number of pioneering schemes aimed at mobilising local community, business and educational resources to create new employment opportunities. It was a recognition that market forces alone could not generate sufficient new jobs that Wales requires to replace those being lost in its traditional industries which led to the creation of the Welsh Development Agency and the Development Board for Rural Wales in the mid-1970s.

Yet as the recession began to bite on Welsh industry it became increasingly clear that the combined efforts of these bodies, together with the traditional regional policy mechanisms, were insufficient to deal with the economic difficulties facing many Welsh communities and that further initiatives were required.

BSC (Industry), the steel corporation's job creation arm, was first established because of bad conscience over the impact of the rundown of iron and steelmaking at Ebbw Vale and Shotton. Their geographical locations and infrastructure clearly required a special effort from all concerned if they were to rebuild their employment base.

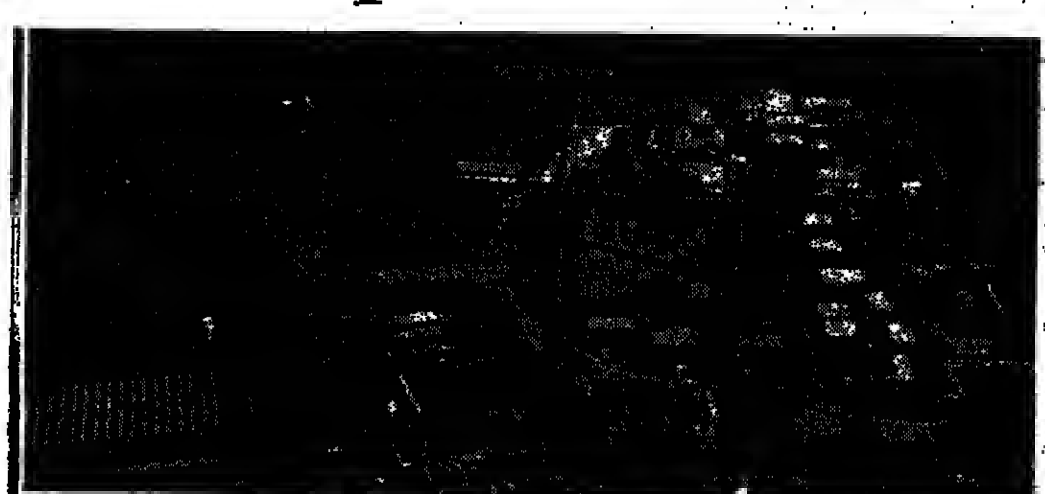
Traditional

As the steel crisis deepened and traditional steel production centres in other parts of the UK faced comparable problems, BSC(I) was forced to look beyond simply encouraging companies from elsewhere into those areas.

By this stage, the WDA had anyway assumed prime responsibility for persuading existing companies to move into Wales. In the circumstances BSC(I) opted to concentrate its efforts on encouraging the formation of new companies through workshop schemes and small amounts of seedcorn capital on advantageous terms.

At Brynmawr, near Ebbw Vale, it took over a former sports club premises and transformed them into workshops for smaller starter businesses. In Cardiff, an administrative block at the former East Moors steelworks was saved from demolition and refurbished into more than 80 nursery units. In Port Talbot, it took over a former paint factory for the same purpose.

It proved to be a successful formula. Despite the intensity of the recession, there has been no shortage of aspiring entrepreneurs wanting to take space, attracted by the low rents and "easy in—easy out" tenancy terms.



Deeside Industrial Park where an innovation centre is to be launched

BSC(I)'s activities, and its announced intention of winding up the bulk of its operations next year, has now set the scene for the creation of a number of local enterprise trusts. The first to get off the ground in Wales was on Deeside, North Wales.

The local councils, a number of local companies, the chamber of commerce and trade unions joined forces to establish the Deeside Enterprise Trust under the managing directorship of Mr Peter Summers, a member of the Shotton steelworks family and until then BSC(I)'s local representative.

With headquarters on Deeside industrial park, a 600-acre new estate established by the WDA to offset the loss of more than 8,000 jobs at the Shotton steelworks, the trust's small team provides one stop shopping for any businessman contemplating moving into the area.

Comparable trusts are now in the process of being set up in South Glamorgan (Cardiff and the Vale of Glamorgan), West Glamorgan, Llanelli, Newport and Dyfed. The South Glamorgan Enterprise Trust has secured the seconded services of Adrian Atkinson, formerly Marks & Spencer's store manager in St Helens, as director.

Local companies are also providing a number of secondees, as is the Co-operative Development Agency. BSC(I) is putting in £30,000 over three years and South Glamorgan and Cardiff councils are providing some cash as well as a member each of their industrial development staff. As in the case of Shotton, there is basically no shortage of funds for the right project, as a steel closure area, capital at attractive rates of interest is available from the EEC, as well as through government schemes.

Predating these enterprise trust initiatives, however, is the work of the Neath development partnership. Responding to a CBI call for fresh thinking, the Thomson Organisation singled out Neath Town and its surrounding area as an ideal place for an experiment in encouraging economic regeneration through a mixture of private and public enterprise.

Partnership

John Carr, a former Thomson executive, arrived in 1981 to establish the partnership as the first of the CBI's special programmes in this field, and secured the backing of major local employers, Metal Box and BP, PA Management consultants, BSC(I) as well as the local councils and trade unions.

The upshot has been a whole series of economic regeneration projects. They include a major £3.5m tourism-leisure scheme, only some 25 per cent of which should require private sector funding. The remainder will be financed from the array of public sector sources.

There are also workshops, already 75 per cent occupied, and an Information Technology training unit. Plans are well advanced to extend the work of the IT unit into research and development for local companies and into the production of hardware items.

The most recent, and in some ways the most intriguing, initiative is shortly to be launched by the Wales TUC. This is the setting up of a Wales Co-operative Development and Training Centre to encourage the formation of workers co-operatives.

The centre is the fruit of a wide-ranging investigation which included a fact-finding visit to the famous Mondragon workers co-operative experiment in the Basque provinces of Northern Spain. It is the first job creation project of its kind to be initiated by the trade union movement itself.

The centre plans not only to provide technical expertise and back-up to Welsh workers wanting to create jobs within their own communities, but also to create an investment fund to back such ventures with hard cash.

The University of Wales and Welsh colleges of higher education are also playing their part. University College, Cardiff, has an industry centre geared to turning laboratory ideas into marketable products of benefit to the local economy. It has already achieved some successes and has a number of promising projects in the pipeline.

The University College of North Wales Bangor also has an industrial development unit while Swansea and Aberystwyth, among other initiatives, have appointed staff specifically to encourage a more fruitful liaison between the academic world and industry.

Again on Deeside, the North East Wales Institute of Higher Education is the main driving force behind the launching of an innovation centre on Deeside Industrial Park.

Among other tasks, it will orientate the institute's own 60-strong research division towards the goal of rebuilding the local economy.

April 13 1983

Profile of a North Staffordshire enterprise agency and four businesses it has guided. Report by **Rhys David**

How the counsellors came together

BUSINESS INITIATIVE, based on the North Staffordshire area around Stoke-on-Trent, is in many ways fairly representative of the various enterprise agency schemes started up around the country in the last two to three years. They are aimed at helping the unemployed, or those merely tired of their present employment, to get into self-employment.

Its origins go back to a meeting which Mr Richard Bailey, the chairman of Royal Doulton, had with officials of the Department of the Environment on the problems of unemployment in and around Stoke. The area was affected by a shake-out of labour in the ceramics industry—traditionally by far the biggest local employer—by a major steelworks closure, and by redundancies in other local industries as a result of the recession, including the tyre industry, another important local element.

Agreement

At subsequent meetings in Stoke itself a group of employers including several in, or connected with, the pottery industry — Wedgwood, Wade, H and R Johnson, Blythe Colours and Matthey printed products, together with other important groups such as Michelin, Century Oil, the four big clearing banks, the Staffordshire-based Britannia Building Society, accountants Peat Marwick, and a number of other concerns, agreed to provide financial backing for an enterprise agency.

National Westminster Bank agreed to second one of its managers, Mr Christopher Stokoe, and the agency, operating from a small suite of offices in Hanley with just one other member of staff, was launched by Mr Michael Heseltine, then Environment Secretary, in November 1981 with first year funds, provided by its sponsors, of some £18,000.

One of the local authorities covering the area is providing nominal financial support, and there are hopes that the other two in North Staffordshire will also make limited funds available.

The agency has looked at the way similar schemes are operating in Leeds and St Helens, two of the first places to set up enterprise trusts, but no direct model is being followed, according to Mr Stokoe. "We have tended, because it is the way I feel is most effective, to concentrate very largely on counselling," Mr Stokoe points out.

Taxation

Most of those coming to the agency want to know about the procedural aspects of setting up in business—taxation, VAT, insurance, marketing, premises and legal considerations.

Equally important is advice on what might be the financial needs of e particular business proposal, and help in preparing a plan which will prove acceptable to a bank approached for a loan. Most of the counselling is done by Mr Stokoe himself who uses his contacts within the sponsoring companies to check on points outside his own range of experience. Accountants Peat Marwick also make available management time one day a week.

In the 16 months in which it has been in operation Business Initiative reckons to have answered a total of more than 900 inquiries for help and guidance. Roughly one-fifth have been from individuals interested in setting up in manufacturing, more than 30 per cent from potential retail businesses and 40 per cent from service industries, with the remainder being enquirers returning for further advice.

At least 13 per cent are known to have gone on to commence in business or expand operations, hut this figure may, according to Mr Stokoe, substantially understate the actual figure.

In all the cases described on this pago — as indeed in many hundreds of others where enterprise agencies up and down the country have given help—the advice has been fairly basic.

Setting up in business is, however, something of which very few people have experience and the fact that Business Initiative and similar schemes are there to provide initial guidance or a sounding board should problems subseqoently devolop would seem to be important in giving confidence to the would-be entrepreneur.

The style of the edvice service offered by the agencies with the emphasis very much on informality is also importnnt. Much of the advice ho now gives, admits Mr Stokoe, could have been given from behind his desk at the bank.

"People don't come to the bank until they have decided what they want to do and are seeking monoy. They now como to us at a much earlier stago when they still want basic help."

The role they play in establishing the potential entrepreneur on the right lines before his ideas ere fixed and possibly beforo he has mado too many mistakes is perhaps the most important contribution tho trusts and agencies are making.

Above, Richard Bailey, chairman of Royal Doulton: prime mover in setting np Business Initiative: below, Christopher Stokoe, seconded from National Westminster Bank

Rescue for cleaning business

TONY LOCKETT turned to Businesses Initiative after he had decided he could rescue the industrial cleaning materials company for which he had previously been manager from liquidation. The company which supplied janitorial and industrial cleaning materials to wholesalers had sunk under the weight of expensive promotion campaigns, but Mr Lockett, an industrial chemist, concluded it was in a growth area and could be made to work.

As with other businesses in the area, the main help Business Initiative was initially ablo to offer was financial. The agency went through tho forecasts Mr Lockett had already drawn up, and advised on the plan to be presented to the bank. On the basis of this the bank loaned £20,000. This is receiving backing through the Government's Loan Guarantee scheme under which some 80 per cent of the funds made available are guaranteed hy the Department of Industry.

The agency has also acted as e sounding board for various small problems and for one large one. "We have had e lot of problems with bad debts and we have some money out we are unlikely to recover," Mr Lockett points out.

Business Initiative, through its director Mr Chris Stokoe, has guided Spick and Span—the name chosen by Mr Lockett for his company—on credit control and the company hopes it can avoid or at least minimise similar problems in the future.

In spite of this difficulty Spick and Span, which operates from the predecessor company's former premises in Stafford, has nevertheless done well with turnover up to £100,000 against an anticipated £84,000—though profits are small. The company, which is basically e blending operation, mixing chemicals it buys in from chemical manufacturers to its own and to standard formulations, has customers as far afield as Scotland and East Anglia as well as in the Midlands. Its success has also been recognised by the award of a £2,000 prize under a business competition organised by the local authority in Newcastle-under-Lyme.

The business has three employees—Mr Lockett and his wife, Norma, and a partner Philip Bonham, a member of the same Methodist church, with a background in marketing in the food industry, who was persuaded to join.

The hours have been long—six in the morning to nine et night some days—with all three carrying out all the operations themselves from blending to floor sweeping. The point will soon be reached, Mr Lockett points out, however, when decisions will have to be taken on increasing staff. An increase in the bank loan to enable expansion is being sought.

Launching a clothes designer

JANET LOCKITT, then a shoe designer, approached Business Initiative last year, having decided to try to fulfil e long-held ambition to design and sell clothes from her own shop. She had found premises which she considered suitable—a dome-windowed, former sweetshop on the outside of a former cinema and bingo hall in Stafford, with a spiral staircase a prominent feature inside—but she admits to having had little idea what to do next.

The help Business Initiative was able to give was in presenting her case to the bank and in logging how she should run the finances of the business. The agency also made an initial evaluation of her idea to assess whether it had a chance of success.

The dresses Janet Lockitt produces are aimed to be slightly above good chain-store merchandiso in terms of price, with particular attention paid to special features such as trimmings. All are made on the premises—in between serving customers—at the rate of two or three garments a day.

Customers como from a fairly wide area, often having heard of JFL Exclusive by word of mouth, and are usually looking for something to wear to a party or wedding.

The business, which was started shortly before Christmas, is now just ebout breaking even and there has not been, as was expected, e fall-off in demand since the New Year. So far, too, it has not been necessary to go back to Business Initietive for further advice, though this may be necessary when expansion or a move to other premises is considered.

The main problem, Janet Lockitt confesses, is lonoliness, with some days passing with very few customers and no sales, though this does make it possihlo to press on with producing the garments. As business builds up it will become necessary to take on extra help.

The ultimate business target is to create a reputation which will lead to orders for her dresses from further afield, including smarter London boutiques.

Computer experts go it alone

THE THREE directors of the Stoke-based North Staffs Business Technology Centre—Dennis Noble, Derrick Mortimer and Andrew Willis—had all been employees of ICL, the UK computer manufacturer, for more than 15 years when they were made redundant in 1981, and in consequence were none too keen on entrusting their fortunes again to another major company.

Instead they decided to make use of their experience in the computer field—at that time largely in mainframes—to take advantage of the explosion of interest in small computers. The gap they saw was the need for consultancy and training facilities for business users and the provision of attendant software packages.

Decision

A decision was taken to acquire retail premises to offer these services, and to supply a range of machines suitable for the cross-section of customers they had identified.

The help which Business Initiative was ablo to provide, Dennis Noble points out, was firstly in the mechanics of setting up and running a business, something none of the three partners had any previous knowledge of doing.

Guidance was given on cash-flow forecasting and on the preparation of a business plan, and this proved sufficiently sound for the bank to match the £14,000, which the partners were putting into the business from their redundancy payments, with a similar loan.

Another important area in which the agency was able to help was in marketing. The team was put in touch with a marketing manager at Royal Doulton, who gave advice on the merits of different advertising media, and on promotion activities aimed at establishing awareness of the new company.

The decision had already been taken to go for business rather than personal computer users—the latter category being adequately catered for, according to Mr Noble, by chain stores and other existing outlets. Tho business market by contrast, he points out, requires a lot of support after sales, and this is where tho team feels its computer industry background can score.

The main problems so far have been in persuading the relatively conservative businesses established in the aree to adopt new technology, but other outlets have been established in the educational world. The business now employs, apart from the three directors, a secretary and two young people on youth training, and turnover reeched £60,000 in the first year. As most of this was concentrated in the second half it is hoped this figure can be considerably exceeded by the end of the current year.

Two strings to their bow

TERRY MCGOVERN and Jay Lazzari were both made redundant when the manufacturer of specialised industrial weighing machines for which they worked went into liquidation. Their plan was to set up a business with two main planks—servicing the machines produced by their previous employers, and, as this business ran down, retailing and servicing personal computers.

After eight months their business, McGovern and Lazzari, based in a village near Newcastle-under-Lyme, has reached a turnover of £56,000 with the emphasis — somewhat against their initial expectations—coming from the personal computers side rather than the weighing machine servicing.

Both admit that they were very green when they started the business and on reflection might have done some things differently. They have found, for example, that they have not been able to keep up with demand on the personal computers side and have lost custom through not having enough stocks.

This is something, however, they believe they could not have foreseen, and the alternative—excessive stocks and high interest charges—might have been even worse.

The help they have received from Business Initiative has been partly financial—such as for example where to obtain funds. The agency has also been called on to answer other general points.

The help from Chris Stokoe for which they are most grateful was in handling a staff problem. Advice was available within minutes, which enabled them to adopt the correct legal procedure for dealing with the situation.

The two, both of whom had previously developed a strong interest in personal computing as a hobby, sell through the business a variety of equipment, including the BBC computer and the Commodore range. Sales are also being developed to colleges and to businesses and there are plans to develop into the production of micro-based systems. Employment now stands at five and will be going up shortly to six.

Few companies define a strategy for social services, says **Ian Hargreaves**

Corporate role stays shadowy

MOST BRITISH companies are involved in some way in charitable giving or community service, but probably no more than 20 of them have gone to the lengths of setting down a formal strategy for corporate social responsibility.

Those that have argued that only in this way can the company hope to both spend its time and money wisely and to maximise the benefits both for the giver and the recipient. Or as Irving Kristol, Professor of Social Thought at New York University's Graduate School of Business, put it recently: "It is a sad fact that many a corporation will spend much time and thought before investing 2 per cent of pretax profits, but will give away that same amount after only a few hurried conversations among a few harassed executives whose minds are on other matters. Bad judgment is censurable but no judgment is indefensible."

Actually, very few UK companies give away as much as 2 per cent of their profits and there is none, so far as is known publicly, which gives the 5 per cent to which members of the famous Minneapolis 5 per cent club are committed.

On average, according to research by the New York Conference Board, American corporations contribute about 0.8 per cent of pre-tax profits. In the UK the figure, although higher than in most other European countries, which lack the Anglo-American tradition of charitable giving, is certainly less than 0.1 per cent, although exact figures are not available.

Top 20

The table showing the top 20 corporate givers to charity, supplied by the Charities Aid Foundation, although subject to a considerable range of error, gives some indication of the orders of magnitude.

Giving to charity is, however, only a small part of what is meant, at its grandest, by corporate social responsibility, a term variously defined but which normally covers in addition to straightforward philanthropy, policies on other forms of community involvement, policies affecting employees, customer relations, attitudes to pollution and the environment and so on.

To score high marks, a company has not only, say, to help raise money for handicapped children, but must also make sure it hires a fair proportion of handicapped people and that its products, where possible, be made available to the handicapped.

"The goodwill of the people is the only enduring thing in any business. It is the sole substance. The rest is shadow," declared Mr H. F. Johnson of the American *Johnson Wax* company in 1927. Today, in Britain Johnson Wax, a private company, devotes between 2 and 3 per cent of pre-tax profits (about £90,000 last year) to a wide range of local concerns, ranging from an enterprise trust, to the arts, from the local university to sponsorship of a community awards scheme to encourage other citizens' good works.

IBM, another American company, has over the years refined a sophisticated approach to the same question in what it calls its programme of "company citizenship," which costs it $60m a year worldwide.

In the UK, it is only in the last three years that IBM has tried to be systematic in its community activities by selecting three social issues—training for disadvantaged young people, the disabled and inner city problems. These are all, says Mr Richard Marriott, the director of public affairs who is responsible for this work, areas in which IBM feels it is qualified to help.

The budget is fixed at 0.5-0.7 per cent of pre-tax profits and the projects managed and monitored exactly as any other business activity would be, a process which occasionally produces spin-offs into internal policy, whether it be a decision to use a sheltered workshop for the handicapped to refurbish office furniture or, as has recently happened, the decision to start ethnic monitoring records.

Community policy

"Doing this work makes you examine what you are doing yourself," says Mr Marriott. Much of the involvement is through seconded managers rather than in cash.

British Petroleum created a special community policy group in 1980, covering four areas: education, charity, sponsorship and community affairs, with a budget of £2.5m in 1982. ICI has been another major force.

The clearing banks also have a long history of involvement in social projects. National Westminster is spending £2.5m a year, not counting the estimated £2m-a-year cost of the bank's secondees.

NatWest's bank is, interestingly, organised by two separate departments: public affairs, which takes the lead in donations and sponsorship, and the bank's small business department, which looks after the bank's many interests in the field of employment promotion, inner city regeneration and work among ethnic minorities.

The implication of enlightened self-interest is obvious and indeed the bank does not deny it.

Marks & Spencer speaks of its very survival being bound up with the quality of Britain's social fabric, but if it did not have a clear policy on social projects, it would not, says Mr John Flint, executive for charities and community involvement, be able to make a sensible response to the 17,000 requests for assistance it receives each year.

In practice, 2,300 projects were supported last year, on a budget of about £1.5m, not counting M & S's secondments, whose value the company estimates at £500,000.

Most companies allocate their resources for charitable and social projects through a senior management committee, but one American company, Levi Strauss, the clothing manufacturer, has developed an interesting variant on this, designed to increase its own employees' sense of involvement in this aspect of the company's work.

Levi, whose UK plants are chiefly located in Scotland, is committed to distribute 1.5 per cent of pre-tax profits to community involvement. The money, about £80,000 in the UK last year, is distributed mainly through the "community involvement teams" which exist at each plant and consist of volunteers, who are given company time to organise its projects, which are usually asked to raise a proportion of the sum they need themselves or from other sources.

This programme, which Mr David Logan, a former TUC official and activist in the campaign to save Covent Garden, oversees, also funnels a proportion of its resources towards a centrally-determined theme, which, since the beginning of this year, has been the support of community-based employment projects.

Through this work, Levi has become involved in a range of community businesses, the best known of which is the Goodwill furniture restoration chain. Goodwill is another North American phenomenon—it has led to the creation of over 30,000 jobs in the U.S. and Canada—organised on a non-profit distributing basis.

A number of other companies have been drawn into similar types of work in the inner cities, where socially-based service jobs seem to offer one of the few areas of short-term employment growth.

When it comes to straightforward money-raising, however, there is no British company which can match the performance of Hambro Life Assurance, which ranks eleventh in the CAF top 20, ahead of corporate giants like GEC, Ford, and Prudential.

Philanthropy

Hambro Life's philanthropy also dates back to the convictions of a company founder—one prerequisite for effectiveness in any aspect of corporate social responsibility appears to be strong commitment from a company's chief executive—but has developed a strong life of its own, under full-time professional management at the company's Swindon headquarters.

Hambro Life has three grant-giving bodies—it even manages to run a vigorous staff charity fund among its salesmen—and in total distributed £300,000 in 1981, the largest slice of which comes from the company's trust which each year receives 1 per cent of pre-tax profits.

The company is one of very few in Britain to operate a voluntary payroll deduction scheme for charitable contributions which, combined with a lottery, forms the base of one of the three funds.

Partly as a result of Hambro Life's success and the success of a similar payroll giving scheme in 45 companies in Liverpool, a feasibility study for a national payroll deduction charity plan, is being carried out.

Known as the United Way Feasibility Study, after the large American scheme of the same name, the idea would be to set up locally-based payroll deduction schemes, with the help of professional administration, whose costs would be more than covered by the tax concessions available to charities when payroll deductions are coventanted to them.

Another idea being canvassed in Britain is to set up a more modest version of the Minneapolis 5 per cent club, perhaps a 1 per cent club, to encourage British companies to commit that proportion of pre-tax profits to good causes.

Certainly the charities which stand to benefit from such moves will be delighted if they come to fruition. Although voluntary organisations are very much in fashion in Mrs Thatcher's Britain, charitable giving is barely keeping pace with inflation, in spite of some modest improvements in the tax climate for charities.

The role played by the CBI

Lord Carr, chairman of the CBI Special Programmes Unit (shown right) is talking to James Cooke, chief executive (left) and Norman Mills, general manager (centre). The unit was set up in 1980 to tackle youth unemployment by encouraging big companies to support Manpower Services Commission programmes

TOP 15 CORPORATE DONORS TO CHARITY

	Amount given (£m)	Pre-tax profit (£m)	Employees
Barclays Bank	1.5	566	75,225
British Petroleum	1.1	339	41,100
National Westminster	1	494	74,653
Marks & Spencer	0.99	181	44,646
Shell UK	0.93	158	19,436
Midland Bank	0.74	232	71,800
ICI	0.72	335	74,700
Unilever	0.6	304	79,148
Distillers	0.5	181	19,570
Lloyds Bank	0.49	385	47,946
Esso Petroleum	0.4	805	8,186
IBM UK	0.39	161	15,362
RTZ Services	0.37	507	13,430
Hambro Life Assurance	0.37	n.a.	1,725
Imperial Group	0.28	106	82,700

Year ends vary between 1980 and 1981
Source: Charities Aid Foundation

Tim Dickson on the role of the clearing banks

Emphasis on secondment

WITH 11,000 to 12,000 branches, a presence in every High Street, and human and financial resources which collectively outweigh any other big organisation in the country, it is not surprising that the major clearing banks are heavily involved in community activities in Britain.

Their motivation can usually best be described as "enlightened self interest" but in line with such thinking it is sometimes difficult for the outsider to detect where sponsorship starts and marketing and promotion of their own business ends.

Whatever the reasons considerable sums of money are being poured into community-based activities with a strong emphasis in the case of banks on secondment of staff to enterprise agencies and other such initiatives.

A sign of the times was the prominent mention given to the subject by Mr Timothy Bevan, chairman of Barclays, in his address to shareholders in the bank's recent annual report.

Explaining the interest in community involvement, he says that "in essence we recognise that a bank is in the long run only as healthy as its customers; if the community is sick, we will not prosper either."

Initiatives

Mr Bevan points out that over the last year Barclays has seconded some 48 staff, set up training programmes, and given free advice on financial and planning to a large number of companies. The initiatives range from support for over 40 local enterprise agencies, funding workshops in Tyne and Wear, supporting a robotics unit at Durham University, providing £1m to finance high tech units at the University of Warwick Science Park and a project to help young people prepare for working life. Obviously some of these have a more commercial flavour than others.

Interestingly Mr Bevan also goes on to say that while Barclays "readily accepts" its social responsibility, "it is inevitable that there is a potential cost involved, not only in the conventional commercial sense but also in the possible lock up of funds that may be needed instead by the growth points of the economy.

"On public as well as commercial grounds therefore there must be a limit to such assistance."

These words are certainly echoed by others responsible for "community involvement" in rival banks. With new local ventures getting off the ground almost every day there is a feeling—in some quarters—which bankers would certainly like to discourage—that they are an "easy touch" for financial support.

Tell one clearer so the theory goes, that its rival is planning to put up money for a new scheme and the corporate cheque book appears with astonishing speed.

"Although we are very committed to the whole idea the trouble is that we are being asked to turn normal banking practice on its head," observes one manager. "People have been coming to us recently with some pretty unreasonable propositions asking us in one case for example to provide very cheap loans to companies moving into a particular enterprise zone."

The bank with the highest profile in the "community involvement" field is almost certainly National Westminster. It is widely recognised that this has something to do with the surplus of manpower inherited from the merging of National Provincial with the Westminster Bank but the result is that there are nearly 200 NatWest staff seconded to charities, enterprise agencies and voluntary organisations.

Some 20 are seconded to small business advisory services, mainly enterprise agencies—15 of them managers and the rest young men likely to be managers in the near future. About 130 are seconded to charitable organisations, many of which are engaged in some form of community service. The secondees here tend to be men near retirement age.

Dealing with the advisory services, Mr Russ Wilson, projects manager, explains: "We see this programme as part of the secondees' career development. We expect to use the experience gained by them in their overall approach to small business when they return to the bank."

Most banks—informally at least—distinguish between secondees for whom the exercise is a step on the promotional ladder and secondees who may be nearing the end of their service and ideally should be making way for a younger successor.

Other National Westminster Bank initiatives include a series of 10 regional seminars for small businesses—playing at the moment to packed houses—and a free quarterly publication.

There is clearly a marketing slant to this sort of exercise but Mr Wilson points out that as far as the Digest is concerned the NatWest profile is kept to a minimum.

All the banks have responded to Michael Heseltine's inner city task force in 1982 and ways are being considered to help the ethnic minority community.

Midland Bank at the moment has a total of 40 secondees—12 of them with charities, seven with enterprises agencies or their ilk and the rest with a variety of organisations ranging from Cambridge County Council to the London Business School.

Like all the other banks, Midland has made cash grants to enterprise agencies, including a £20,000 a year subscription to the London Enterprise Agency where it is closely involved.

Unjustified

Discussing the demand for bank resources, a Midland Bank official pointed out that "we couldn't justify seconding a bright young man to some of the provincial enterprise agencies where he would be wasted waiting for people to come and ask often quite basic questions."

He added that besides the cash grants arrangements were often made by Enterprise Agency directors with local Midland managers.

Although banks generally run few schemes where financial subsidies are involved, Midland has been conducting an interesting experiment in the Coventry area. The idea was to help participants under the Enterprise Allowance Scheme—the government initiative extended nationwide in the Budget whereby unemployed people starting a business can get a £40 a week cash grant for the first 12 months.

Midland has been offering an interest-free loan up to £5,000 to successful applicants for a six-month spell. The bank reckons it helped about 65 businessmen in this position with advice and counselling but only 13 actually took up the interest-free loan last year.

Lloyds, meanwhile, "spreads its resources very thinly over masses of organisations," according to an official. It reckons to spend £600,000 a year alone on sponsorship. Unlike the other banks Lloyds organises its secondee programme through the regions with deliberately little co-ordination from the centre.

Being the smallest of the big four High Street banks, Lloyds admits to being "short of numbers in this field."

"Our main plank is sponsorship of things from the centre which have strong local ramifications but could not get off the ground without us."

PROFILE: LORD SIEFF

A cheque book is not enough

Lord Sieff

MARKS & SPENCERS'S record as an enlightened and socially aware employer as Lord Sieff, the recently-retired chairman of the group points out, goes back a long way. It was in the 1930s that the policy of subsidised staff canteens and in-store health and welfare facilities was introduced after Lord Sieff's father had decided one of the assistants in a store he was visiting in those depressed times looked ill.

Fifty years later the group employs some 900 personnel officers to look after its 45,000 staff and spends nearly £50m on staff facilities and services. Its public reputation as a benevolent organisation moreover brings it in some 17,000 appeal letters a year from good causes, a good proportion of which are met with donations, at a cost to the company of around £1.5m a year.

Vigour

As social problems in Britain's cities have grown as a result of increased unemployment and other factors, Marks & Spencer's management concluded this approach would have to be extended. "We decided the cheque book was not enough," Lord Sieff observes.

Instead the company, with the vigour that characterises its retail operation, has involved itself actively in a range of community self-help organisations, including Business in the Community, of which Lord Sieff was one of the founding members. Typically a team of support staff, ten in number altogether, has been built up to co-ordinate the group's external charitable activities.

For an organisation like M & S, the importance of trying to arrest the decline in city centres is obvious enough. Youths with little else to do apart from wander around shopping centres can make them decidedly unattractive to the sort of customers the chain stores want to attract.

At the same time Lord Sieff professes a genuine sense of mission in what he has been trying to do. "Those who lead responsible free enterprise organisations must not only implement a policy of good human relations at work but should have a constructive involvement in the community in which they operate as well."

Unless companies play their part in helping to create more jobs in the communities in which they work, the long-term effect of unemployment could be a threat to social order, and hence to democracy, he feels.

Lord Sieff's own involvement in community schemes goes back to the formation of the London Enterprise Agency (Lenta) in 1978 when 20 businesses each put up some £20,000 to enable work to begin on inner city regeneration. The company has also involved itself in Project Fullemploy, and in schemes in Brixton, which Lord Sieff visited promptly, after the disturbances two years ago, to talk to the local store's staff, and to find out what help they felt should be given.

M & S's main contribution so far to the various schemes apart from funds has been secondee. As confirmation of its commitment to the idea, the company has adopted a policy of seconding where possible its better people rather than those it was perhaps finding difficulty in placing within its own organisation. "We have taken high flyers and seconded them as part of their career structure for periods of between six months and three years. In most cases they come back promoted," Lord Sieff points out.

An M & S man started up Leeds Business Venture and another is in charge at Manchester.

Apprehensions

Altogether M & S has about 15 secondees out to BIC and other community schemes, and has developed systems to deal with the apprehensions and difficulties—such as loneliness—they may face while away from the company. The group is brought together at head office for discussions relevant to their community activities, and for briefings on what is taking place in M & S while they are away.

As a mass purchaser of goods M & S has not found it easy to place business with the small firms started up by entrepreneurs but there have been exceptions. A small company making pine fittings in Barnstaple—one of the towns where M & S has become involved in community activities—has built up turnover to about £2m with the group and has increased its employment in two years from nine to 90.

One of the main contributions Lord Sieff makes to BIC is to spread his message to other companies somewhat more sceptical of community involvement, and he believes he is winning over some of these that have previously had doubts. As he himself points out, given the M & S record over the years it cannot be said to be bad for business.

Rhys David

BUSINESS AND THE COMMUNITY VII

Business in the Community secondees and their regional responsibilities (left to right): Adam Rendall of Shell (UK) (Hampshire, Kent and Northern Ireland); Philip Gibbs of Marks and Spencer (North West); Anthony Pelling of the Department of the Environment (London and the South West)

Ian Hargreaves on the task of secondees who help run community projects

A two-way culture shock

SECONDMENT of managers to help run community projects is very largely a British idea. It happens, on a much smaller scale, in the U.S. and hardly at all elsewhere in Europe.

In Britain, however, several companies prefer to make their gifts to good causes in kind. "If you give money you really don't have any idea what happens to it. If you put in a person, that is much better," says Mr Richard Marriott, who is in charge of IBM UK's community involvement programme.

According to Cecilia Allen, director of Action Resource Centre, the organisation set up in 1973 by a group of companies primarily to place secondees in useful schemes, there are about 25 companies in Britain which provide full-time secondees and many more willing to release people part-time or on an ad hoc consultancy basis.

Part-timers

At any one time, Arc has 120 secondees in the field, some of them part-time. In addition it has 30 employees in a range of regional offices.

The attraction of secondment for the supplier companies varies. For some, such as in the initial stages at least for National Westminster Bank, the largest single supplier of secondees, it was a way of making use of surplus managerial talent after a merger. Other companies say secondment often provides a creative way out when the pyramid structure of promotions results in a blockage.

Generally speaking, secondees fall into three categories: young managers in their late 20s or early 30s who are able to profit from a broadening of experience; mid-career people trapped either in a promotion log-jam or some other lacuna and pre-retirement managers whom it is willing to finance in secondment. Secondees normally serve for between six months and three years.

From the point of view of the recipient, secondees can obviously offer a range of practical managerial experience which many voluntary organisations would not otherwise be able to afford.

There are, however, many potential snags. One, says Cecilia Allen, is that senior executives often find it hard to settle into the informal atmosphere of community projects, where they have to answer their own telephones and make their own coffee.

More easily avoidable problems are the tendency of some companies to push individuals into secondment at very short notice, which is disturbing to a person's morale, and once he is out in the field to leave him to his own devices, rather than keeping him abreast of developments back in the company.

Re-entry to a company after a secondment is often tricky—the culture shock of returning home can be much worse than the shock when leaving it—but is made worse if secondees are kept in doubt about their career prospects.

Indeed, if secondees are seen to suffer in career terms because of their stint outside the company, secondment obviously comes to be seen as a form of punishment within the company.

After several years of trial and error, the leading secondment companies have now ironed out most of the problems. They try to give up to six months' notice of a secondment and some offer basic training as preparation.

Briefing

While away from the company, the secondee is attached to a senior manager back at base as a link person and is brought back at least twice a year with other secondees for a day of briefing. Negotiations about career path after return start up to six months before the secondment ends and several companies say that the majority of their secondees actually return to promotion.

Some have even been promoted whilst on secondment. Marks & Spencer says of the 47 secondees it has sent out, two-thirds returned to the company at a higher grade than when they left it.

Both sender and recipient organisations also agree that it is vital for a secondee to have a clear, written job description and that the receiving organisation be in a position to ask an unsuitable secondee to leave.

Even with these precautions, however, secondment has its limitations. Arc has found it necessary, for the sake of continuity, to recruit full-time, salaried employees to balance the secondees in its own organisation.

At the CBI Special Programmes Unit, Mr James Cooke, the chief executive, says he spends far too much time negotiating with companies to extend the periods of service of the unit's secondees, most of whom are either pre-retirement or senior managers who would otherwise have been made redundant in the rapid contraction of British industry in the last three years.

The CBI unit runs almost entirely on secondees and lacks the funds, as Mr Cooke would like, to be able to pay younger secondees who are offered conventional jobs elsewhere at least a part-time salary to retain their experience within the unit.

The other difficulty about secondment, however, which suggests the problems listed above are far from insuperable, is that there are never enough secondees to go round. Indeed, with the proliferation of good cause organisations in the last two or three years, unseemly scraps often take place to obtain them.

More confidence

However, organisations which do second people all seem to agree on one thing: that their managers return with more skills and confidence than they had at the start.

Ms Allen says that the emergence of the CBI unit and Business in the Community is pushing Arc in new directions, such as training for the disabled and community business and school-industry links, rather than the employment creation and small business advice in which it has been heavily involved since 1976.

PROFILE: TIM CONNOR

Where business skills count

TIM CONNOR, aged 45 and manager of Marks & Spencer's Leicester City centre store — one of the busiest in the country —hopes to be elected to the executive of the Leicestershire Business Venture.

He should have something to offer because he was the driving force behind setting up the venture project so often held up as an example elsewhere in the country of what enterprise agencies can achieve.

In 1980 he was plucked from the tightly controlled M & S management network. "The shock comes from moving into the outside world," he says.

Leaving school at 18, he was commissioned as a lieutenant in the Royal Leicestershire Regiment before joining M & S as a management trainee in Chesterfield. Promotions carried him from Newcastle to Swindon and Coventry.

15 managers

Then, under the varied M & S management development scheme—around 15 of the 1,000 or so senior managers are on secondment at any one time —Mr Connor was placed for nine months with the charity, Action Resource Centre: "It was a question of applying business skills in a community situation. I was trying to develop communications between the London head office and the outlying parts."

It was then he switched to Leicester in May 1981 that Mr Connor faced the real challenge: Mr Nicholas Corah, chairman and chief executive of the Corah knitwear company, had taken the initiative in trying to set up a private sector body to stimulate job creation and business start-ups.

"But when I arrived we had nothing, no staff no offices, the first task was to go out and find sponsoring companies—like-minded people who wanted to join with us," Mr Connor says.

Success followed. Some 31 national and local companies backed the Leicestershire business venture. In the year to this March when Mr Connor rejoined M & S, the organisation had a role in setting-up around 35 companies employing more than 100 people in total.

Inquiries for guidance and assistance were coming in at the rate of more than 2,000 a year, requiring over 300 in-depth reviews — "Sitting down with a banker, an accountant and me with my marketing hat on to put a deal together," he says.

Tim Connor: from M & S to the Leicestershire Business Venture

'I have developed very close contacts with people in both local authorities and the private sector. I feel very much among friends'

Mr Connor laughs and offers a word of warning to colleagues within M & S: "Secondment is a tough assignment. It is a challenge, not a soft option."

He often worked a 12-hour day, but says it was an opportunity not to be missed. "It was an experience much broader than that offered by corporate life — the chance to meet and mix with a cross-section of people from so many different backgrounds."

Mr Connor talks about the importance of bringing the benefits of that "experience" back to the day-to-day job.

But how difficult is it to make the transition back to company life? "It's a bit like riding a bike, you never forget."

What skills following his secondment did he feel he had to offer? Mr Connor smiles, draws a deep breath and replies: "Oh, the two key elements are leadership and communications allied to increasing turnover, cutting costs, giving service, looking after the staff and running a happy ship —there, that's page 46 of the M & S management training manual."

Up-front style

In what Mr Connor describes as his "up-front style of management," his Leicestershire venture days offer another advantage: "I have developed very close contacts with people in both the local authorities and the private sector. I feel very much among friends."

But in his time helping to set up new business ventures had he established any potential new suppliers for M & S? "No such luck," he sighs before dashing off across the sales floor to deal with yet another customer query.

Arthur Smith

American enterprise schemes provide a surprising link between Brixton's Railton Road and New York

U.S.-style promotion for Brixton

NORMA JARBOE, a vice president of Citibank has spent some eight weeks in Brixton, as a secondee from her bank, where she is examining the rehabilitation problems in financing privately-owned housing.

It was because of community work done in Flatbush, New York, that Ms Jarboe was invited to Brixton by government and business leaders from the London Enterprise Agency.

"The grants are here," she said, "the building societies are willing to lend here, there is strong council involvement and many residents associations but somehow things seem to falter."

Just why initiatives have yet failed fully to gell is one of the questions Ms Jarboe will be addressing during her six months in Brixton.

Strong liaison

She is working with Brixton United, created about a year ago by the London Enterprise Agency (Lenta) and staffed by people seconded from Marks and Spencer, with formal and strong liaison with Lambeth Council with the Manpower Services Commission having funded some of the training schemes.

It is some two years ago since the riots caterpulted Brixton and its problems into the nation's eye. Organisations such as the London Enterprise Agency, companies with strong local representation such as Marks & Spencer and Freemans, the mail order company, the Government and the local council have all addressed themselves to the problems of this community.

"Success" in tackling those problems is difficult to evaluate, particularly in the context of the recession. However, there have been some strong initiatives from companies, big and small.

Brixton United: This charitable trust, set up last March by Lenta, is based in Brixton and has two secondees from Marks & Spencer and Ms Jarboe from Citibank. Ms Jarboe is working specifically on housing finance.

"I am trying to design a scheme for re-investment into private sector housing in the Mayall/Railton Road area," says Ms Jarboe, who is a former director of a community development scheme sponsored by Citibank in New York.

"The first step is targeting an area and we have gone into Housing Action Areas. There we are identifying what is privately owned and linking in with residents' associations and the local council's teams. My experience from New York is that it is the neighbourhood which improves itself, with some help."

The aim is for Ms Jarboe to help provide or set up a loan packaging scheme so if an owner-occupier, or landlord wants to refurbish his or her property there will be formal links with local building societies, or banks, to provide extra finance to top-up the existing grants."

"An individual can do it on his own," said Ms Jarboe, "but there are many people who cannot work the system. In Flatbush we called our role that of 'hand-holding.'

"Here there appears to be no problem of finding the long-term financing. There is no 'red-lining' (zoning of areas where loans are said to be hard to obtain) by the building societies, for example. The problem is that of packaging the finances. The key ingredient is building investor confidence.

"Brixton, I believe, does not promote itself. One of the problems in housing refurbishment is that of a large number of older occupants who often do not believe it is worth doing up their houses.

"The proof of the pudding is when we deliver some refurbished housing and advocate the neighbourhood. The process is as important as the product."

In Brixton some 43 per cent of the housing is council-owned, 23 per cent privately rented, 27 per cent owner-occupied and 6.7 per cent in housing association ownership. "There is a terrific amount of property in private ownership," said Ms Jarboe.

Another thrust of Brixton United is job creation. Mr Tony Prendergast, on secondment from M & S has spent the last year finding training places outside Brixton for young adults, aged between 19 and 30.

Some 24 training slots have been secured with money being acquired from the MSC for 19. So far young people have taken up training places at IBM, Lloyds Bank and Grand Metropolitan Hotels. In the latter, placements will be working for their City and Guilds Part 1 certificate in catering.

"The young people are fairly eager," said Mr Prendergast. "The mood of this group, located through youth clubs, is they want to work and do something that will lead to a permanent job."

Patchy response

Whether or not more placements will be found by Brixton United is dependent upon business which, under the Government's new youth training scheme will be asked to take on more young people. The response so far from business, said Brixton United, was "patchy."

BAT Industries last week finalised a major investment in Brixton with its BAT Industries Small Businesses joining with the local council in the acquisition of the former Bon Marché department store, empty since 1981.

BAT has put up the purchase price of £1.24m and the council has bought a lease for £650,000. The council has contributed £140,000 towards the estimated £1.7m conversion costs and granted a sub-lease to the Brixton Enterprise Centre, formed by BAT Industries Small Businesses. The council has been given seats on the board of the operating company and a share of the profits.

Mr John Weait, of BAT Industries said: "It is a new experience for us to be working with a local authority. There have been delays but working the project out in a satisfactory way for both parties takes time. We have now got a regime that we both think is fair and reasonable."

Accommodation for up to 400 jobs will be provided in the building which has a 94,000 sq ft footage. About 100 small workshops, opperating on monthly licences will be provided as well as retailing and office space.

There is a shortage in the Brixton area of small workshop units and BAT's initiative will provide a "commercial village" where small businesses can exchange not only advice but services.

The Government's urban development grants have also been applied for in the area. Mr Keith Lewis, assistant town planner, Lambeth Council said: "We have put up five schemes with the private sector, with a gearing of about 1:3."

One scheme is of particular interest. It involves Total, the oil company, and Mutual Aid, a charitable trust. The project, not yet approved by the Department of the Environment, involves the provision of a garage where motorists could hire tools and seek specialist help in repairing their cars."

Mr Lewis said there was a wide range of involvements in the area from the private sector. The council's Business Advisory Service was heavily dependent on secondments — two at present from BP, and one from the National Westminster Bank.

Each post provides for particular initiatives. The secondee from BP, for example, had been involved in bringing together local suppliers with the major companies and public authorities. He has produced a business directory of about 500 small companies in the Lambeth area and circulated it to major buyers.

Similarly "business to business" exhibitions have been organised where some 120 local companies presented their services and products to about 50 large buyers.

Good contacts were also being made with financial organisations, in particular one of the High Street banks was involved in developing special financing arrangements, in conjunction with the council's loan guarantee scheme, for those wishing to set up, or expand a small business.

An information technology centre has just opened in Brixton at the initiative of the Industrial Commercial and Finance Corporation, Sight and Sound, Freemans and ICL.

ICFC believes the project could develop into something quite substantial — spawning small companies in the information technology field. Young unemployed people, aged 16-17 have been taken on in tranches of 10, on the year's course and by May there will be 30 students.

The project has been funded by the MSC, the Department of Industry and each of the four sponsors hopes to put up not more than £10,000 a year — probably to supply consumables on the materials side.

The sponsors are also keen that the money they are putting up will pay for things that are not covered by the existing Do I scheme such as opening the centre in the evening for use by local community groups.

Of the High Street banks, the National Westminster has been particularly involved in the problems of Brixton. It has a vacant property in the area and is interested in making it available at reasonable terms to a suitable venture.

One project, black self help employment with influential backing, failed to get off the ground after problems within the community itself and its non-elected representatives.

One of the greatest problems in an area like Brixton is for those seeking to take initiatives to secure the support of the diverse community groups, all of whom have their own prescriptions for progress. Companies and bodies which have become involved in Brixton all stress the need to have the full support of the "community."

Jobs have been created in this area which has one of the highest unemployment levels in the capital. Local traders have secured Inner City Partnership funding for environmental improvements and regularly liaise with the council to discuss issues which relate not only to their own businesses but to the community at large.

Progress has been slow. But, as Mr Lewis pointed out: "It is all about building relationships with the right organisations. We have got to know our local banks, for example, and we know who to go to with what proposition."

Lisa Wood

From Flatbush, New York, to Brixton: Norma Jarboe a vice-president of Citibank points to the housing problems she is tackling in the London suburb

Where to find enterprise agencies

LOCALITY	DIRECTOR	PHONE
North		
Cleveland	George Brown	0642 222836
Consett	Laune Heveron	0207 509124
Darlington	Cyril Beere	0325 480891
Hartlepool	Alan Humble	0429 221216
North East		
		0385 41918
Northumberland	Derek Craven	0670 514343
Tyne and Wear	John Eversley	0632 614464
North West		
Birkenhead/Wirral	Paul Farrow	051 647 7674
Blackburn	J. Clarke	0254 554945
Bolton	R. McMullen	
Bury		061 797 5864
Ellesmere Port and Neston	C. O. Leatherbarrow	051 356 3556
Hyndburn	H. Patterson	0254 33241
Lancaster	Peter Stiles	0524 66222
Liverpool	L. T. Williams	051 709 1231
Macclesfield	John Rosthorn	0625 28011
Manchester	Jim MacDonald	061 228 1144
Oldham	Roy Newton	061 665 1225
Rochdale	Robert Pearce	0706 356250
Rossendale	Roger Pearson	0706 229838
Southport	Douglas Anderson	0704 44173
St Helens	David Boult	0744 692570
Tameside	R. Crawshaw	061 344 3407
Vale Royal	J. B. Bone	0606 77711
Warrington	Brian Rick	0925 33309
Widnes/Runcorn	B. W. Burton	092 85 63037
Wigan	Paul Davidson	0492 496591
Workington	A. Winterbottom	0900 65656
Yorkshire and Humberside		
Grimsby	Mel Pretious	0472 59161
Halifax		0472 696111
Hull	Ron Chandler	0422 69487
Leeds	Tony Spice	0482 27266
Rotherham	Mike Walker	0532 457483
Sheffield	George Linney	0709 2121
Wakefield and	Brian Perkins	0742 666471
Kirklees	Lou Mullins	0924 381343
York	Gil Elliott	0904 641401
West Midlands		
Birmingham	Graham Ashmore	021 454 6171
Coventry	Alan Kimberley	0203 552781
Stoke/Staffs	Chris Stokoe	0782 279013
Telford	R. Brinley Williams	0952 56624
Walsall	Frank Cookson	0922 646614
Wolverhampton	Jane Gilbert	0902 32104
East Midlands		
Chesterfield	Robert Taylor	0246 208743
Corby	L. C. Howard	05366 62571
Derby	Michael Powell	
Leicester	John Cutler	0533 554464
Melton Mowbray	Don Hodgson	0664 60006
Northampton	Alan McKay	0604 37401
Nottingham	Ian Bullock	0602 787711
Eastern region		
Braintree	Stuart Beckwith	0376 43140
Colchester	Peter Taylor	0206 48833
Great Yarmouth	John Norton	0493 56157
Harlow	David Ross	0279 446002
Ipswich	David Rolfe	0473 59832
Letchworth	Rupert Gurney	04626 5211
Lowestoft	Chris Barnes	0502 63286
Luton	Derek Upcott	0494 782903
Norwich	Bill Page	0603 613023
Peterborough	John Duckworth	0733 310159
Stevenage	Fred Tippler	0438 56117
Wisbech	Ron Wheeler	0945 587084
South Eastern region		
Aldershot/Frimley	Walter Oakey	0252 319272
Ashford	Alan Duncan	0233 30307
Basingstoke	Bernard Affleck	0256 54041
Berkshire	Ansel Harris	0734 585 715
Gravesham	Ron Dewar	0474 64422
Isle of Wight	Ron Neve	0983 529 120
Maidstone	John Lee	0622 675547
Medway	Guy Sibley	0634 43201
Portsmouth	Bill Sumner	0705 833321
Southampton	John Townsend	0703 788088
Swale	Bill Penney	0795 843802
South West region		
Bristol	Paul Cotterill/ Donald Weeks	0272 741 518
East Devon	Albert Johnson	0404 41806
Gloucestershire	Jack Tester	0452 501411
Kingswood (Bristol)	Michael Winwood	0272 603871
Mid-Cornwall		0208 5457
Plymouth	Alan Lovering	0752 660210
Restormel (Mid-Cornwall)	A. G. Tourell	072 681 3079
Swindon	Robert Hardy	0793 487793
West Cornwall (Kerrier, Penrith and Carrick)	Philip Staton	0209 714914
West Somerset/ Sedgemoor	Fred Wedlake	0278 424456
London region		
Brixton	Tony Prendergast	01 274 7700
Greenwich	C. Barrow	01 858 8611
Hackney	Dennis Statham	01 739 7600
Hackney	David Jones	01 739 8857
Hammersmith and Fulham	Tony Lloyd	01 741 7248
Harrow	Richard Robinson	01 427 8188
Islington	Norman Humphrey	01 359 3924
Lambeth	Tom West	01 274 7722
London	Brian Wright	01 236 2676
Park Royal (Ealing/ Brent)	Jeff Goodman	01 961 2717
Tower Hamlets	Barry Kennon	01 481 0612
Vauxhall	Alec Wrist	01 597 1118
Wandsworth	Denis Brookes	01 870 2165
Wandsworth (Lenta)	Keith Parks	01 720 7063
Northern Ireland region		
Carrickfergus	Ron Wilson	09603 68006
Northern Ireland	David Brown	0232 234504
Wales region		
Deeside	Peter Bumham	0244 615262
Neath	J. A. Filmer-Bennett	01 629 8111
Scotland region		
Ardrossan	Douglas Martyn	0294 602515
Kilmarnock	Willie McPhail	0563 211 40

How the Big Apple stopped the rot

IN 1975 New York City, the Big Apple, went rotten. On the verge of bankruptcy, its entire public infrastructure was at risk with potentially dire consequences for private commerce and industry.

After a last minute rescue, local authorities and leaders of the private sector got together and launched a programme to restore financial health to the city and through a series of joint initiatives ranging from "I love New York" to "Make it where the market is" and "Make it in New York City," they have had a tremendous success.

Problems remain — parts of the city are literally falling to bits, budget deficits are starting to rear up again and tens of thousands of manufacturing jobs have been lost. But the city is nevertheless prospering, property markets have recovered strongly and the lost manufacturing jobs are being replaced by new posts in the skilled and specialised service sectors.

Tradition

The fight back has been easier because of a tradition in the U.S. of local authorities and private sector talking and acting together with a recognised common purpose: the interests of the local economy.

Whereas in Britain the relationship between, for example, councils and chambers of commerce has been traditionally poor with squabbling over the rating levels or the standard of public services, in the U.S. the two often combine to promote their common interests, both locally, and in competition against other cities and states.

It is not unknown in the U.S. for business leaders to campaign for a higher level of local taxes than proposed by the local authority on condition that the extra revenue is used for a specific purpose—updating a run-down public transport system, for example.

Business and local authorities also work together in planning joint projects, involving investment by both sides, which then qualify for government cash in the form of Urban Development Action Grants (UDAGs).

This system of allocating federal money to projects to which public and private money is already committed has resulted in more than $2bn of government money for more than 1,500 projects with a private sector injection of more than $13bn in five years.

Job creation, and importance to the local economy in rundown urban areas are key factors influencing decisions as to which applicants get UDAGs. The system is now being copied in Britain.

But the role of U.S. business in the community goes far wider and deeper than joining forces with local authorities to attract funds and business to the locality. "Corporate responsibility" towards the community goes back at least as far as 1919 when the American Rolling Mill Company in Ohio stated, "Industry should not only keep its own house in order but should support every sound constructive agency established in the community in an effort to make civic conditions respond to the highest needs of its citizens."

Now, billions of dollars a year are contributed to community service projects on that principle. Mr William Verity, former chief executive of Armco Steel and now chairman of President Reagan's task force on private sector initiatives, estimates that in 1980 about $3bn was contributed by American companies and company foundations and another $3bn worth of time and expertise was contributed by company employees to community assistance schemes.

Participation

To this must be added $70bn from the rest of "private" America — religious and civic groups, trade unions, philanthropists, educational institutions and so forth.

This business aid ranges from participation in neighbourhood housing projects, to food and health support for the sick and hungry, improving decayed urban areas, or supporting education and arts projects. Specific examples include:

- Grocery stores combining in cities such as Phoenix, Wichita, Kansas City to supplying surplus food to community food banks with local manufacturers donating warehouse space to store the food.
- New York City consortium of business and neighbourhood groups created 10,000 summer youth jobs last year and aims for 15,000 this year.
- Bell Telephone in Michigan commissioned a study to ascertain recession-hit Detroit's most critical needs and as a result committed $100,000 to a food distribution programme.
- Amoco sponsored a $4.7m programme to adapt non-profit organisations' offices to make them more energy-efficient — which should save them at least $12m over the next 10 years.
- Kansas Gas and Electric Company, with the Red Cross, devised a scheme allowing customers to add $1 to their monthly bills to help defray energy costs for the old.

American banks have a long history of community involvement, not only for philanthropic reasons but also because they have long recognised that close local identity with a bank in addition to an involvement in trying to regenerate decayed areas and boost local economies ultimately results in more people doing more business with more money in the banks' branches.

Knowledge

They often recruit people with no banking experience but deep community knowledge to head up their community involvement sections. Mr Matthew McPartland, vice president of Chemical Bank, a pioneer in this field, is a former New York City police chief; Mr John Leonard, his counterpart at Manufacturers Hanover Trust is a former priest.

Both have been very successful in initiative ranging from provision of sports' prizes at schools in depressed neighbourhoods to the installation of enthusiastic but often untested black bank managers in branches in black neighbourhoods and involvement in self-help community housing renovation projects.

A recent study by the Council on Foundations showed around 95 per cent of companies making cash contributions to community causes in 1981—some heavily committed and involved, others looking for tax write-offs.

But the average contribution by U.S. business generally remains stuck at about 1 per cent of pre-tax profit although the federal tax laws have encouraged 5 per cent for years, and with the 1981 tax Bill boosted the incentive to 10 per cent.

With this in mind, the President's task force has started a campaign to raise the average contribution level to 2 per cent over the next four years—to $6bn a year—and several cities already have "two per cent" and "five per cent" clubs. At the same time he wants an annual level of $6bn worth of in-kind contributions — manpower training, land donations for parks and gardens, computer equipment for non-profit agencies, etc.

Mr Verity says: "Clearly the opportunity exists for business to do more. Clearly the need exists as well."

Robin Pauley

Profile: Sir Hector Laing

Supporter of a company club for communities

The wholehearted way in which companies in a number of American cities have involved themselves in community projects has been a significant influence on the founders of business in the community schemes in the UK, not least Sir Hector Laing, chairman of United Biscuits.

Sir Hector, a member of Business in the Community's governing council and chairman of the separate Scottish body that has now been set up, favours the approach adopted, for example, in Minneapolis, where a number of companies have formed a 5 per cent club, the members of which contribute that proportion of pre-tax profits to community projects each year.

Although the UK business scene is rather different it ought to be possible to get up at least 1 per cent, Sir Hector argues. UB itself has raised its contributions to community projects to the equivalent of ½ per cent and now has a corporate policy of releasing one secondee for every 2,000 employees. BIC as an organisation could play an important role in co-ordinating the activities of any 1 per cent clubs that were formed in the UK, Sir Hector argues.

Favourable tax treatment for companies contributing to local community projects is another American example, he believes, which could be followed in the UK. U.S. businesses are allowed to give up to 10 per cent of pre-tax for the cost of secondees to be charged against tax.

Sir Hector Laing

In the UK no such provision exists, although in this year's budget allowance was made for the cost of secondees to be charged against tax.

Sir Hector's strong belief in the need for greater business involvement in the community is born partly of idealism and partly, as he admits, from purely practical considerations. "It would be a terrible indictment of our generation if a cry of 'Remember the '80s' were to poison society in future decades as the memory of the '30s has damaged relationships to this day," he says.

Community leaders, whether in the public or the private sector, in the trade unions, voluntary organisations or statutory bodies have a duty to kindle the spirit of constructive co-operation and to galvanise others into joining a crusade against unemployment, inner city decay, environmental blight and the attendant social bitterness, he says.

At the same time, as a major supplier of goods to the UK market, Sir Hector accepts that the prosperity of his company's fortunes is tied to that of the community as a whole. "The business sector has a responsibility to give to society more than we have done in the past, by becoming more actively involved in projects designed to benefit the communities from which we draw our employees, and very often our customers too."

With Sir Hector's backing, UB has now become involved in most of the towns and cities where it has food manufacturing plants. Apart from providing secondees the company has also made itself available as a source of help in fields such as accounting, personnel and computer services.

Where problems are being encountered in these fields by an entrepreneur who is being backed by one of the enterprise schemes in which UB is involved, the company will come up with someone who is able to help.

As a Scot, Sir Hector agreed to chair Scottish Business in the Community. This organisation, which is backed by 25 leading Scottish businesses, is now helping a score of enterprise agencies either already established or about to be established in various parts of Scotland.

Rhys David